

3<sup>RD</sup> SEMESTER SPECIAL EXAMINATION- 2012  
FINANCIAL AND MANAGEMENT ACCOUNTING

FULL MARK -70  
TIME-3HOURS

Answer Question No 1 which are compulsory and any five from the rest.  
Figures in the right hand margin indicate marks.

1. Answer the following questions: (2X10)

- (a) What is Accounting Period concept of accounting?
- (b) Why Trial Balance is prepared?
- (c) What do you mean by authorized capital?
- (d) What do you mean by Equity share?
- (e) State the meaning of Fund as per Funds flow analysis.
- (f) Pass Journal Entry:  
A Furniture is purchased by cheque Rs 50000.
- (g) What do you understand by Accounting standards?
- (h) What is a Bearer debenture?
- (i) State two examples of Current Liability.
- (j) How do you calculate Debt Equity Ratio?



2. What do you mean by Financial Accounting? Discuss the different concepts and conventions relevant in Financial Accounting 10

3. How much Working Capital is required for a Manufacturing concern? Discuss the various determinants of Working capital of a manufacturing company. 10

4. Reliance Traders Ltd issued 40,000 shares of Rs.100 each at a premium of Rs.30 per share, payable Rs.20 on application, Rs.60 on allotment (including premium), Rs.20 on first call and Rs.30 on second call. Applications were received for 50,000 shares and allotment was made to applicants of 40,000 shares. Application money of the remaining 10,000 shares were refunded. Manish to whom 500 shares were allotted failed to pay the first and second call money. Satish to whom 600 shares were allotted failed to pay the second call money. All these shares were forfeited after the second call.

Pass necessary journal entries to record the above transactions. 10

5. What is Cash Flow Analysis? State the procedure of preparing a Cash Flow statement? 10

6. Write short notes on (any two): 10

- (a) Redeemable Preference Share
- (b) Over subscription of share
- (c) Bonus share

7. The following is the Trial Balance of M/S Niranjana Enterprise. Prepare Trading, P&L A/c for the year ending 31.12.2009 and the Balance sheet as on that date after considering the following adjustments. 10

Particulars	Amount(Debit) Rs	Particulars	Amount (Credit) Rs
Land & Building	2,00,000	Creditors	4,600
Opening stock	25,000	Return outward	300
Plant & Machinery	50,000	Bills payable	4,200
Cash in hand	5,500	Sales	1,54,400
Carriage inward	500	Capital	3,00,000
Wages	1,500	Provision for Bad debt	500
Bills receivable	1,500		
Debtors	19,000		
Purchases	1,22,000		
Return inward	500		
Furniture	22,000		
Advertising	7,000		
Salaries	4,000		
General expenses	1,500		
Drawings	3,000		
Baddebt	1,000		
<b>Total</b>	<b>4,64,000</b>	<b>Total</b>	<b>4,64,000</b>

Adjustments:

- (a) Write off depreciation on Land & Building and Plant & machinery @ 10 % each
- (b) Salaries outstanding Rs 500
- (c) Prepaid wages Rs 1000
- (d) Closing stock Rs 42000

8. What do you mean by Ratio Analysis? What are the important accounting ratios for determining the short term and long term financial position of a Company. 10