



GIET UNIVERSITY, GUNUPUR – 765022

M. B. A (First Semester – Back Paper) Examinations, April' 2021

MB 104 – Basics of Accounting and Finance

Time: 2 hrs

Maximum: 50 Marks

The figures in the right hand margin indicate marks.**PART – I: (Multiple Choice Questions)****(1 x 10 = 10 Marks)****Q. 1 Answer ALL questions**

- a. Accounting provides information on
 - (i) Cost and income for managers
 - (ii) Company's tax liability for a particular year
 - (iii) Financial conditions of an institutions
 - (iv) All of the above
- b. The long term assets that have no physical existence but are rights that have value is known as
 - (i) Current Assets
 - (ii) Fixed Assets
 - (iii) Intangible assets
 - (iv) Investments
- c. The assets that can be converted into cash within a short period are known as
 - (i) Current Assets
 - (ii) Fixed Assets
 - (iii) Intangible assets
 - (iv) Investments
- d. Patents, Copyrights and Trademarks are
 - (i) Current Assets
 - (ii) Fixed Assets
 - (iii) Intangible assets
 - (iv) Investments
- e. Trading account is prepared to find out
 - (i) Gross profit or loss
 - (ii) Net profit or loss
 - (iii) Financial position
 - (iv) None
- f. Retained earning is classified as which type of Account?
 - (i) Asset
 - (ii) Liability
 - (iii) Expenses
 - (iv) Stockholders equity
- g. Wages is an example of ?
 - (i) Capital Expenses?
 - (ii) Indirect Expenses
 - (iii) Direct Expenses
 - (iv) All of the above
- h. Lower the Debt Equity Ratio
 - (i) Lower the protection to creditors
 - (ii) Higher the protection to creditors
 - (iii) It does not affect the creditors
 - (iv) None of the above
- i. A higher inventory ratio indicates
 - (i) Better inventory management
 - (ii) quicker turnover
 - (iii) Both A and B
 - (iv) None of the above
- j. A low Return on Investment Ratio indicates
 - (i) Improper utilization of resources
 - (ii) Over investment in assets
 - (iii) Both A and B
 - (iv) None of the above

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PART – II (A): (Short Answer Questions)**(2 x 5 = 10 Marks)**Q.2. Answer **ALL** questions

- a. What is Accounting?
- b. Write the nature of trail balance?
- c. State the difference between debit and credit?
- d. What is window dressing?
- e. Sweat Equity?

PART – III : (Short Answer Questions)**(6 x 5 = 30 Marks)**Answer **ANY FIVE** questions

3. Explain the characteristics of Accounting?
4. State the difference between trail balance and balance sheet?
5. Explain the different types of Liquidity Ratios?
6. Sales Rs 200,000, Purchases Rs 1,00,000, Carriage Inward Rs 5,000, Royalties Rs 2000, Wages Rs 2000, Closing stock Rs 20,000, Opening Stock Rs 10,000. Find out Cost of Goods sold and Gross Profit?
7. State the difference between Journal and Ledger?
8. Briefly explain the different types of Share Capital?
9. Prepare a proforma of Balance sheet and explain the objectives of Balance sheet?
10. Find out i) Average stock ii) Purchases iii) Creditors turnover ratio iv) Debtors Turnover Ratio v) Working Capital turnover Ratio from the following information.

Stock Turnover Ration 6 Times

Sales Rs 3,00,000

Gross Profit Ratio 20% on Sales

Opening Stock Rs 10,000 more than the Closing Stock

Opening Creditors Rs 20,000

Closing Creditors Rs 30,000

Net Working Capital Rs 50,000

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