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MBA
(SEMESTER I) ODD SEMESTER EXAMINATION 2015 – 16
ACCOUNTING AND FINANCIAL ANALYSIS

[TIME: 3hrs]

[Max. Marks: 100]

Note – Attempt all Questions. All Questions carry equal marks:-

Q.1. Attempt any four parts of the following:

[5 X 4 = 20]

- (a) What do you mean by the term 'Accounting'? Discuss its importance?
- (b) What are the Indian Accounting Standards?
- (c) What is the importance of fund flow statement?
- (d) What is Profit & Loss Appropriation Account?
- (e) Write short note on: Patent & Goodwill.
- (f) Explain the term Accounting Equation?

Q.2. Attempt any four parts of the following:

[5 X 4 = 20]

- (a) Explain Current Ratio with example?
- (b) What are the objectives of Accounting?
- (c) Describe Double entry system of Accounting?
- (d) What do you mean by Working Capital?
- (e) Write short note on: Debtors & Creditors.
- (f) Raj Cotton Mills purchased machinery on 1st May, 1991 for Rs. 90,000. On 1st July, 1992 it purchased another machine for Rs 40,000. On 31st march, 1993 it sold off the first machine in 1991 for Rs 58,000 and on the same date purchased new machinery for Rs 1,00,000. Depreciation is provided at 20% p.a. on the original cost each year. Accounts are closed each year on 31st December.

Show the Machinery Account for three years.

Q.3. Attempt any two parts of the following:

[10 X 2 = 20]

- (a) From the following Trial Balance, prepare Trading & Profit/Loss Account for the year ended 31st Dec., 1999. Also prepare Balance Sheet:

Trial Balance

Dr.

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Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Building	30,000	Capital	25,000
Furniture	2,640	Sales	56,040
Scooter	4,000	Purchase Return	1,600
Opening Stock	8,000	Bad Debts Provision	700
Purchases	33,800	Bank Loan	5,000
Sales Return	2,300	Commission	900
Bad Debts	300	Creditors	8,000
Carriage Inward	700		
General Expenses	1,200		
Interest on Bank Loan	300		
Insurance & Taxes	2,000		
Scooter Expenses	2,600		
Salaries	4,400		
Cash in Hand	2,000		
Debtors	3,000		
Total	97,240	Total	97,240

Adjustments:-

- (1) Closing Stock on 31-12-1999 was valued at Rs. 4,340.
- (2) Commission include Rs. 300 being commission received in advance.
- (3) Salaries have been paid for 11 months.
- (4) Bank Loan has been taken at 10% p.a. interest.
- (5) Depreciate building by 5% and scooter by 15%.
- (6) Write off Rs. 200 as further bad debts & maintain bad debts provision at 5% on debtors.
- (7) Scooter is used for business as well as for private purposes equally.

(b) Describe the various Concepts & Conventions of Accounting?

(c) What is Ratio Analysis? Explain the different types of Ratios?

Q.4. Attempt any two parts of the following:

[10 X 2 = 20]

(a) The following balances appeared in the books of Mathur Books Seller on 1st January, 2012:

Assets: Cash Rs. 15,000; Bank Balance Rs 5,000; Stock Rs. 40,000; Furniture Rs 3,600; Debtors Rs 24,000;

Liabilities: Bank Loan Rs 10,000; Creditors Rs 12,500;

- (i) 2 Jan – Bought goods from Mahesh for Rs 20,000 at a trade discount of 10% and cash discount of 2%, Paid 70% amount immediately.
- (ii) 4 Jan – Sold goods to gopal for Rs 9,000.
- (iii) 8 Jan – Received a cheque from mohan Rs 2,000.

- (iv) 10 Jan – Cheque amounting Rs 6,500 received from mohan deposited into bank.
- (v) 13 Jan – Proprietor withdrew for private use Rs 2,000 from office and Rs 3,000 from Bank.
- (vi) 16 Jan – Paid rent by cheque Rs 9,000.
- (vii) 18 Jan – Paid trade expenses Rs 2,500.

(b) What do you mean by Depreciation? Discuss the reasons for charging Depreciation?

(c) What do you understand by Cash Flow Statement? Also explain the classification of cash flows?

Q.5. Attempt any two parts of the following:

[10 X 2 = 20]

(a) The following is the Balance sheet of Anil Trading House for the year ended 31st March, 2007.

Balance Sheet

Liabilities	Amount	Assets	Amount
Sundry Creditors	60,000	Bank	50,000
Bills Payable	1,00,000	Investments @12%	1,50,000
Tax Provision	1,30,000	Debtors	2,00,000
O/s Expenses	10,000	Stock	3,00,000
10% Mortgage Debentures	7,00,000	Fixed Assets	13,00,000
12% Preference Share Capital	1,00,000		
Equity Share Capital	5,00,000		
Reserve Fund	4,00,000		
Total	20,00,000	Total	20,00,000

Other information supplied is as follows:

- (i) Net Sales 27,00,000
- (ii) Cost of Goods Sold 22,80,000
- (iii) Net Income before Tax 2,00,000
- (iv) Net Income after Tax 1,20,000

You are required to calculate:

- (i) Current Ratio.
- (ii) Proprietary Ratio.
- (iii) Stock Turnover Ratio.
- (iv) Debtors Turnover Ratio.

(b) Discuss the various stages involved in the preparation of the Fund Flow Statement. What is the importance of this statement to a company?

(c) Write short notes on:

- (i) Trial Balance & Balance Sheet.
- (ii) Process of Accounting.