

Paper Code: RMB-103

Roll No.

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M.B.A
FIRST SEMESTER EXAMINATION, 2016-17
FINANCIAL ACCOUNTING FOR MANAGERS

[Time: 3 hrs]

[Max.Marks:70]

Note- Attempt all questions. All questions carry equal marks.

1. Attempt any four parts of the following:- (3.5x4=14)

- (a) Explain in brief the accounting users.
- (b) What do you understand by Forensic Accounting?
- (c) Explain different kind of accounts with their rule.
- (d) What are the causes of depreciation?
- (e) Write short note on accounting standards.

2. Attempt any two parts of the following:- (7x2=14)

- (a) Explain the different accounting concepts.
- (b) Define Human Resource Accounting. Discuss the Objectives and Limitations of Human Resource Accounting.
- (c) On 1st January 2013, X limited purchased a second hand machine for Rs 58,000 and spent Rs2000 on its creation. On 1st July 2015 this machine was sold for Rs 28,600. Prepare the Machinery account for the first three year according to the written down value taking the rate of depreciation at 10% p.a.

3. Attempt any two parts of the following:- (7x2=14)

- (a) Discuss the concept of Double Entry System. What are its advantages?
- (b) Journalise the following transaction post them into ledger and make Trial balance for the year 2016.
 January 4 Shraavan started business with goods Rs. 15000 and cash Rs. 40,000
 January 5 Purchase goods for cash Rs. 5,000
 January 12 Purchase goods from Krishan Rs. 10,000
 January 18 Purchase furniture from S K Traders Rs. 8000
 January 28 sold goods for cash Rs 10,000.
- (c) Prepare Trading, Profit & Loss Account and Balance Sheet for the year ended as on 31st December, 2015

Creditors = Rs 35,700	Bill payable = Rs 18,700
Law Charges = Rs 420	General expenses = Rs 15,500
Cash at bank = Rs 18,980	Capital = Rs 1,69,200
Bills receivables = Rs 5,360	Purchase = Rs 1,17,200
Opening stock = Rs 63,900	Carriage inward = Rs 3,510
Carriage outward = Rs 28,600	Loan from bank= Rs 4,000
Premises = Rs 4,070	Return outward= Rs 16,200
Cash in hand = Rs 400	Sales= Rs 1,98,400
Discount allowed = Rs 8,600	Wages = Rs 35,940
Discounting = Rs 5,800	Salary = Rs. 15,700
Bad debt provision = Rs 2,200	Bad debt = Rs 2600
Rent = Rs 11,200	Debtors = Rs 63,220
Plant & Machinery = Rs 55,000	

- Adjustments-**
- (i) Closing stock = Rs 93,840
 - (ii) Depreciation on plant & machinery =10%
 - (iii) 1 yr interest due on bank = Rs 1,600

- (iv) Bad debts are estimated at Rs 2,910
 (v) Provision for discount on debtors 3% and on creditors 2%.

4. Attempt any two parts of the following:- (7x2=14)

- (a) What do you understand by Accounting Ratios? Discuss the different accounting ratios.
 (b) Discuss the objectives and limitations of Ratio Analysis
 (c) The ratios relating to the activities of National traders Limited are as follows:

Debtor Velocity	3 months
Stock Velocity	8 months
Creditor's velocity	2 months
Gross profit ratio	25 percent

Gross profit for the current year ended 31st December amounts to Rs 4,00,000. Closing stock of the year is Rs 10,000 above the opening stock. Bills receivable amount to Rs 25,000 and bills payable to Rs 10,000. Find out-

- (i) Sales (ii) Sundry debtors (iii) Closing stock (iv) Sundry creditors

5. Attempt any two parts of the following:- (7x2=14)

- (a) Differentiate between Cash Flow Statement and fund Flow Statement. What are different sources and applications of cash in cash and funds?
 (b) From the following summarized financial statements of XYZ Limited as at 31st March 2015 and 31st March 2016 respectively. Calculate Cash from operation and Prepare a cash flow statement.

Liabilities			Assets		
Particulars	2015 (Rupees)	2016 (Rupees)	Particulars	2015 (Rupees)	2016 (Rupees)
Share capital	1,20,000	1,50,000	Building	65,000	65,000
P&L A/C	45,000	65,000	Machinery	90,000	1,20,000
Sundry creditors	30,000	22,000	Stock	20,000	15,000
Outstanding expenses	1,200	400	Sundry debtors	18,000	20,000
Bill payable	18,000	22,000	Cash at bank	17,000	32,300
Total	2,14,200	2,59,400	Cash in hand	4,200	7,100
			Total	2,14,200	2,59,400

- (c) From following balance sheet of ABC Limited on 31 December 2014 and 2015, you are required to prepare:
 (i) A schedule of changes in working capital
 (ii) A fund flow statement

Liabilities			Assets		
Particulars	2014 (Rupees)	2015 (Rupees)	Particulars	2014 (Rupees)	2015 (Rupees)
Share Capital	1,10,000	1,10,000	Goodwill	22,000	22,000
General Reserves	14,000	18,000	Building	40,000	36,000
P/L account	16,000	13,000	Plant	37,000	36,000
Sundry Creditors	8,000	5,400	Investments	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision for taxation	16,000	18,000	Bills receivable	2,000	3,200
Provision for doubtful debt	400	600	Debtors	18,000	19,000
Total	1,65,600	1,65,800	Cash at bank	6,600	15,200
			Total	1,65,600	1,65,800

Additional Information-

- (i) Depreciation charged on plant was Rs 4,000 and on building Rs. 4,000
 (ii) Provision for taxation of Rs 19,000 was made during the year 2015.
 (iii) Interim dividend of Rs 8,000 was paid during the year 2015.