PAPER ID-311555

Subject Code: NMBA013

Roll No: | | | | | | | | | | | | | |

MBA
(SEM-I) THEORY EXAMINATION 2020-21
BUSINESS ACCOUNTING

Time: 3 Hours ***Total Marks: 100***

Note: Attempt all Sections. If require any missing data; then choose suitably.

SECTION A

1. Attempt *all* questions in brief. 2 x 10 = 20

a.	Discuss Book keeping and Accounting.
b.	Who are the internal users of Accounting Information?
c.	Write the golden rules of Debit and Credit.
d.	Differentiate Capital Expenditures and Revenue Expenditures.
e.	Discuss double entry system.
f.	What are the Different branches of Accounting?
g.	Discuss Copyright and Goodwill.
h.	What do you understand by Fund Flow Statement?
i.	Explain Cash from Operating activities.
j.	What is the need of financial statement analysis?

SECTION B

2. Attempt any *three* of the following: 10x3=30

a.	What is the need of Accounting Concepts and Conventions? Discuss various conventions in brief.
b.	Discuss Common Size Statement and Comparative Statement with the objectives and advantages.
c.	What do you mean by Inventory management? How the inventory can be evaluated? Explain EOQ in brief.
d.	Green Ltd. purchased a machinery on 1st May, 2011 for Rs.60,000. On 1st July, 2012 it purchased another machine for Rs.20,000. On 31st March, 2013, it sold off the first machine purchased in 2011 for Rs.38,500 and on the same date purchased a new machinery for Rs.50,000. 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 the three years.
e.	**Journalize the following transactions:**

Jan. 1	Commenced business with cash	50,000
Jan. 2	Goods given as charity	5,000
Jan. 3	Electricity bill paid	7,500
Jan. 10	Sold goods to Hari on credit	8,000
Jan. 15	Purchased goods from Shyam	4,500
Jan. 20	Goods return by Hari	6,000
Jan. 30	Cash withdrawn by proprietor for personal use	500

SECTION C

3. Attempt any *one* part of the following: 10x1=10

a.	What do you understand by Depreciation? Discuss various causes and need of charging Depreciation?
b.	**Show the effect of the following transactions on the Accounting Equation.**

1.	Muskan started business with cash	80,000
2.	Purchased goods	14,000
3.	Purchased goods from Amit	21,000
4.	Purchased machine	9,500
5.	Withdrew for private use	1,700
6.	Paid salary	2,200
7.	Received interest	1,100

4. Attempt any *one* part of the following: 10x1=10

a.	Prepare the format of Schedule of change in working capital and Funds From Operations.
b.	Discuss the merits and demerits of double entry system.

5. Attempt any *one* part of the following: 10x1=10

a.	What do you mean by Ratio Analysis? Discuss various Ratios. Also discuss various advantages and limitations of Ratio Analysis.
b.	From the information given below: Net Sales 10,00,000 Cost of Goods Sold 6,00,000 Current Assets 4,00,000 Current Liabilities 2,80,000 Paid-up Share Capital 5,00,000 13% Debentures 2,00,000 Calculate the following: **a)** Current ratio b**)** Debt-Equity Ratio, and **c)** Gross Profit Ratio d) Working Capital

6. Attempt any *one* part of the following: 10x1=10

a.	Discuss Copyright, Patents, and Goodwill with their accounting treatment.
b.	From the following information, prepare a Comparative Income Statement:

Particulars	**2016**	**2017**
Sales	7,50,000	6,00,000
Cost of Sales	4,50,000	3,00,000
Administrative, Selling and Distribution Expenses	1,50,000	1,00,000
Other Income	30,000	15,000
Income Tax	90,000	1,07,500

7. Attempt any *one* part of the following: 10x1=10

a.	Define funds flow analysis and cash flow analysis. Show a format of Cash Flow Statement.
b.	From the following Balance Sheets, prepare the Funds Flow Statement for the year ended March 31, 2015:

Liabilities	**31-3-14**	**31-3-15**	**Assets**	**31-3-14**	**31-3-15**
	Rs.	**Rs.**		**Rs.**	**Rs.**
Share Capital	2,00,000	2,50,000	Land and Buildings	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant and Machinery	1,50,000	1,69,000
Profit and Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank Loan	70,000	.....	Sundry Debtors	80,000	64,200
Sundry Creditors	1,50,000	1,35,200	Cash	500	600
Provision for Tax	30,000	35,000	Bank	.....	8,000
			Goodwill	.....	5,000
	5,30,500	5,10,800		5,30,500	5,10,800

Additional Information:

a) The Dividend of Rs.23,000 was paid.

b) Machinery was purchased during the year Rs.33,000.

c) Depreciation written off on machinery Rs.14,000; buildings Rs.10,000.