MBA
(SEM I) THEORY EXAMINATION 2021-22
FINANCIAL ACCOUNTING AND ANALYSIS

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

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

Section-A **(10X2=20)**

Q. No.		Question	Marks	CO
1.	a	Define accounting.	2	1
	b	Show the distinction between SLM and WDV.	2	1
	c	Accounting standards bring uniformity in business language- Discuss.	2	2
	d	Discuss subdivision of journal?	2	2
	e	Differentiate between Cash Flow Statement and Balance Sheet.	2	3
	f	Explain the components of Financial Statements.	2	3
	g	Explain turnover ratios for a business.	2	4
	h	Discuss the use of Debt/Equity ratio?	2	4
	i	Illustrate Human Resource Accounting.	2	5
	j	Demonstrate the concept of accounting for CSR	2	5

Section-B

Attempt any *TWO* of the following: **(15X2=30)**

Q. No.2	Case Analysis	Marks	CO
a.	On July 01, 2010, Ashok Ltd. purchased a machine for ₹ 1,08,000 and spent ₹ 12,000 on its installation. At the time of purchase, it was estimated that the effective commercial life of the machine will be 12 years and after 12 years its salvage value will be ₹ 12,000. Demonstrate machine account and depreciation Account in the books of Ashok Ltd. For first three years, if depreciation is charged according to straight line method.	15	1
b.	The following trial balance has been extracted from the books of Rajesh on 31st December, 2016.	15	3

Debit balance	₹	Credit balance	₹
Drawings	44,000	Capital	1,76,000
Plant and machinery	1,00,000	Cash sales	1,72,000
Opening stock	20,000	Provision for bad and doubtful debts	2,000
Purchases	2,70,000	Bank overdraft	20,000
Wages	62,000	Discount received	6,000
Salaries	70,000	Credit sales	3,00,000
Insurance	45,000	Sundry creditors	24,000
Rent and taxes	17,000		
Sundry debtors	50,000		
Suspense A/c	22,000		
	7,00,000		7,00,000

The following adjustments are to be made:
i. Stock on 31st December 2016 was Rs. 28,000
ii. Unexpired insurance was Rs. 15,000
iii. Provision for doubtful debts is to be maintained at 5% on sundry debtors.

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	iv. Depreciate plant and machinery at 20%. You are required to prepare trading and profit and loss account for the year ended 31st December, 2016 and a balance sheet as on that date. Also analyse the Profitability and financial position of the organisation.		
c.	From the following information for the year ended 31st Dec 2018: Total Sales- Rs. 5,00,000/- Sales Return- Rs. 50,000/- Gross Profit – 40% of Net Sales. Cost of goods sold – Rs.?? Operating Expenses – Rs.60,000/- Non-operating Income – Rs. 21,000/- Tax Rate is 50% Evaluate the performance of company with the help of following ratios: i) Gross Profit Ratio; ii) Operating Ratio; iii) Net operating Profit Ratio and iv) Net Profit Ratio.	15	4

Section-C

Attempt all of the following **(5X10=50)**

Q. No.	Question	Marks	CO
3	(a) Accounting Principles bring uniformity into accounts for all business organisations. Illustrate fundamental accounting principles OR (b) Balance Sheet is a complex display of accounting equation- Illustrate.	10	1
4	(a) "In the present scenario of increasing cross-border business, the Indian Accounting Standards are to be matched with that adopted at International level"- Examine this statement. OR (b) "Trial Balance is the proof of arithmetic accuracy of accounts". Illustrate.	10	2
5	(a) Outline the vertical format of Balance Sheet as laid down in Companies Act, 2013. OR (b) Outline the variegated movement of cash in an organization in the Cash Flow Statement.	10	3
6	(a) Summarize various ratios citing their utility for the users. OR (b) List out Ratio Analysis with its advantages and limitations.	10	4
7	(a) Summarize Vertical analysis of financial statements with imaginary figure. OR (b) Summarize Trend analysis of financial statements with its limitations.	10	5

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