PAPER ID-311544

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

MBA
(SEM I) THEORY EXAMINATION 2020-21
FINANCIAL ACCOUNTING FOR MANAGERS

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

Note: 1. Attempt all Sections. If require any missing data; then choose suitably.

SECTION A

1. Attempt *all* questions in brief.

Qno.	Question	Marks	CO
a.	What are preliminary expenses?	2	1
b.	What is an accounting equation?	2	1
c.	Explain the convention of full disclosure.	2	2
d.	What is forensic accounting?	2	2
e.	Differentiate between operating profit and net profit.	2	3
f.	Write is the first book of recording financial transactions. Give two importance of this book.	2	3
g.	Show accounting cycle.	2	4
h.	What is ratio analysis?	2	4
i.	Give two differences between fund flow and cash flow.	2	5
j.	What is a Schedule of Changes in Working Capital?	2	5

SECTION B

2. Attempt any *three* of the following:

a.	What is Double entry system of accounting? Discuss rules, advantages and disadvantages of this system.	10	1
b.	What are International Accounting Principles? Explain their role in accounting.	10	2
c.	Briefly explain various objectives and functions of financial Accounting.	10	3
d.	What is Comparative Income Statement and Balance Sheet? Show a format of vertical Income Statement and Balance Sheet.	10	4
e.	What is Working Capital? Discuss various types of working capital.	10	5

SECTION C

3. Attempt any *one* part of the following:

a.	"Accounting is based on certain assumptions and principles." Explain? Also state various concepts of accounting.	10	1
b.	Discuss the merits and demerits of the two methods of charging depreciation. Also state which one is more appropriate and why?	10	1

4. Attempt any *one* part of the following:

a.	Journalise the following transactions: 2017 ₹ Feb. 1 Shri Ramesh started business with cash 50,000 2 Bought goods from Mohan for cash 40,000 13 Sold goods to Sunder for cash 48,000 14 Bought goods from Ram 6,000 15 Sold to Shyam goods for credit 7,200 26 Received from Shyam 7,000 Allowed him discount 200 27 Paid Ram cash 5,700 Discount received 300 28 Purchased furniture 10,000 28 Paid office expenses 1,000	10	2
b.	Write a note on: (i) IFRS (ii) Human Resource Accounting.	10	2

5. Attempt any *one* part of the following:

Qno.	Question	Marks	CO
a.	From the following information, prepare the final accounts for the year ending 31.3.17.	10	3

Particulars	Rs.	Particulars	Rs.
Cash in hand	7,000	Furniture	2,500
Building	9,000	Capital	60,000
Drawings	40,000	Wages	8,000
Creditors	33,000	Debtors	30,000
Bad Debts	1,000	Misc. Expenses	700
Postage & Telegram	400	Insurance	2,200
Printing	1,500	Discount received	1,000
Discount allowed	2,000	Rent & Rates	4,500
Carriage	3,000	Stock	18,000
Returns Outwards	2,300	Returns Inward	1,500
Purchases	70,000	Sales	1,00,000
Outstanding expenses	1,000	Bills Payable	4,000

Stock on 31.3.17 Rs. 26,000

b.	Explain Profit and Loss appropriation Account. Draw its format. Also discuss its utility.	10	3

6. Attempt any *one* part of the following:

a. The Balance Sheet of XYZ Ltd. As at 31st March 2018 is as under: — 10 — 4

Liabilities	**Rs.**	**Assets**		**Rs.**
Equity Share Capital	1,00,000	Land & Building		6,00,000
18% Pref. Share Capital	1,00,000	Plant & Machinery		5,00,000
Reserves	60,000	Furniture & Fixtures		1,00,000
Profit & Loss A/c	2,40,000			12,00,000
15% Debentures	8,00,000	Less : Depreciation		(2,00,000)
Trade Creditors	40,000			10,00,000
Bills Payable	30,000	Trade Investiments (long-term)		1,00,000
Outstanding Expenses	20,000	Stock		95,000
Bank overdraft	10,000	Debtors	3,40,000	
Provision for Tax	2,40,000	Less: Provision	(30,000)	3,10,000
		Marketable Securities		10,000
		Cash		10,000
		Bills receivables		10,000
		Prepaid Expenses		5,000
		Preliminary Expenses		60,000
		Underwriting Commission		40,000
	16,40,000			**16,40,000**

Net sales for the year amounted to Rs. 20,00,000.
Calculate:
(i) Current Ratio
(ii) Quick Ratio
(iii) Debt-Equity Ratio

b.	Give a brief classification of various ratios used in analysis of financial position and profitability of the firm.	10	4

7. Attempt any *one* part of the following:

a.	What are the steps used in preparation of cash flow statement? Draw a format of cash flow statement.	10	5
b.	Explain various factors or determinants of working capital in a manufacturing firm.	10	5