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

MBA
(SEM I) THEORY EXAMINATION 2021-22
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. 2 x 10 = 20

Q no.	Question	Marks	CO
a.	To make accounts comparable we need one convention to be followed name the convention and also explain the same.	2	1
b.	"Closing stock is always valued at Cost price or Market price whichever is less" as per which convention, explain the same.	2	1
c.	Define Accounting Standards.	2	2
d.	Describe Human Recourse Accounting.	2	2
e.	Illustrate the treatment of Goods sold on Approval Basis in Final Accounts?	2	3
f.	Illustrate the treatment of Loss by fire in Final Accounts?	2	3
g.	List any four tools available for the analysis of financial statement.	2	4
h.	What is the significance of Liquidity ratios?	2	4
i.	Define the term negative working capital.	2	5
j.	"Gross Working Capital and Net Working Capital means one and the same". Comment.	2	5

SECTION B

2. Attempt any *three* of the following:

Q no.	Question	Marks	CO
a.	Define accounting its objectives and Limitation.	10	1
b.	Describe the objectives and limitations of human resource accounting.	10	2
c.	What do you mean by Double Entry System? Explain the merits and demerits also.	10	3
d.	Prepare the format of Common size Balance Sheet with imaginary figures.	10	4
e.	Define Working Capital and factors determining the need for working capital.	10	5

SECTION C

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

Q no.	Question	Marks	CO
a.	Discuss various accounting concepts in detail with examples.	10	1
b.	On 1st January, 2018, machinery was purchased by X for Rs.80,000. On 1st July, 2019, additions were made to the extent of Rs.20,000. On 30th June, 2021 machinery purchased on 1st January, 2018, was sold for Rs.26,000. Depreciation is charged at 10% per annum on original cost. Show the Machinery Account for the years from 2018 to 2021 in the books of X. X closes the books on 31st December.	10	1

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

Q no.	Question	Marks	CO
a.	Describe the various methods of valuation of human assets.	10	2
b.	Explain the objectives and need of forensic accounting.	10	2

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

Q no.	Question	Marks	CO
a.	From the following transactions prepare Journal Entries, Ledger & Trial Balance: i) Mr. Ram commenced business with cash Rs.1,80,000. ii) Good Purchased from Mohan for Rs. 25,000 on credit.	10	3

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iii) Goods sold to Sunder for Rs.10,000 on credit.
iv) Paid to Mohan Rs. 10,000.
v) Machinery Purchased for Rs. 10,000.

b. The following is the Trial Balance of Mr. A on 31st December, 2018: — 10 — 3

Particulars	Debit Balance	Credit Balance
	Rs.	Rs.
Cash in Hand	1,080	
Cash at Bank	5,260	
Purchases	81,350	
Sales		1,97,560
Returns Inward	1,360	
Returns Outward		1,000
Wages	20,960	
Fuel and Power	9,460	
Carriage on Sales	6,400	
Carriage on Purchases	4,080	
Stock (1st January, 2018)	11,520	
Building	60,000	
Freehold Land	20,000	
Machinery	40,000	
Salaries	30,000	
Patents	15,000	
General Expenses	6,000	
Insurance	1,200	
Capital		1,42,000
Drawings	10,490	
Sundry Debtors	29,000	
Sundry Creditors		12,600
	3,53,160	**3,53,160**

Taking into account the following adjustments prepare Trading and Profit and Loss Account and the Balance Sheet:

i. Stock on hand on 31st December, 2018 is Rs.13,600.
ii. Machinery is to be depreciated at the rate of 10% and patents at the rate of 10%.
iii. Salaries for the month of December, 2004 amount Rs.2,000 were unpaid.
iv. Insurance include a premium of Rs.170 for 2019.
v. Wages include a sum of Rs.3,000 spent on the erection of a scooter shed for employees.
vi. A provision for Bad and Doubtful Debts is to be created to the extent of 5% on Sundry Debtors.

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

Q no.	Question	Marks	CO
a.	Suppose you are an investor and you want to invest the money into a company; which ratios you will calculate and why?	10	4
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	10	4

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	13% Debentures 2,00,000 Calculate the following ratios: i) Current ratio ii) Working Capital Turnover Ratio iii) Debt-Equity Ratio iv) Proprietary Ratio & v) Gross Profit Ratio		

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

Q no.	Question	Marks	CO
a.	Explain the various working capital financing policies in detail.	10	5
b.	From the following Balance Sheets, prepare the Cash Flow Statement for the year ended March 31, 2015:	10	5

Liabilities	**31-3-19**	**31-3-20**	**Assets**	**31-3-19**	**31-3-20**
	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:

i. Depreciation charged on machine was Rs.4,000.
ii. Tax provision made during the year Rs. 19,000.
iii. Interim dividend of Rs.8,000 was paid during the year

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