

**MBA**  
**(SEM 1) THEORY EXAMINATION 2018-19**  
**BUSINESS ACCOUNTING**

*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**

- a. What is Financial Accounting?
- b. Define Net Sales and Net Purchases.
- c. Explain Goodwill and Copyright.
- d. What is dividend?
- e. Explain provisions.
- f. What is a Comparative Balance Sheet?
- g. Explain the term solvency of a firm.
- h. What is Schedule of Changes in Working Capital?
- i. Discuss the concept of cash.
- j. What is depreciation?

**SECTION B****2. Attempt any three of the following: 10 x 3 = 30**

- a. Discuss various conventions of Accounting.
- b. What are final accounts? Briefly discuss the uses and limitations of final accounts.
- c. What do you understand by Analysis and Interpretation? Explain various tools of analysis of financial statements.
- d. Explain in brief various statements that are prepared in fund flow Analysis. Show the format of each statement.
- e. Differentiate between fund flow and cash flow analysis which one is more beneficial for a firm.

**SECTION C****3. Attempt any one part of the following: 10 x 1 = 10**

- (a) What is the importance of Accounting? Also discuss various types of accounting.
- (b) Discuss the role and objectives of International and Indian Accounting Standards.

**4. Attempt any one part of the following: 10 x 1 = 10**

- (a) What is Journalizing? Explain the concept of Ledger posting and balancing of accounts.
- (b) Below is given the Trial Balance of M/s Dabur and Sons as on March 31, 2017. you are required to prepare a Trading and Profit and Loss Accounts for the year ended 31<sup>st</sup> March 2017 and a Balance Sheet on that date, after making the given adjustments:

### Trail Balance

Particulars	Amount (Dr.)	Amount (Cr.)
Cash in Hand	5,000	
Debtors	20,000	
Purchases	50,000	
Opening Stock	75,000	
Capital		64,000
Sales		1,25,000
Creditors		10,500
Building	50,000	
Carriage Inward	500	
Advertising	125	
Carriage Outward	100	
Furniture	2,000	
Bad Debts	900	
Provision for bad debts		1,250
Bank Overdraft		3,000
Interest	125	
<b>Total</b>	<b>2,03,750</b>	<b>2,03,750</b>

#### Adjustments:

- a. The stock on 31<sup>st</sup> March, 2017 was valued at Rs. 50,000.
- b. Rs. 200 is outstanding for Advertising.
- c. Depreciation is to be charged @ 10% on Building and @5% on furniture.
- d. Additional bad debts of Rs.200.

5. Attempt any *one* part of the following: 10 x 1 = 10

- (a) What is Ratio Analysis? Explain various types of ratios and discuss which type of ratios is used in calculating profitability and liquidity of a firm.
- (b) From the following information regarding current assets and current liabilities of a firm, calculate all the liquidity ratios of the concern:

**Current Assets:**

Cash	1,00,000
Debtors	50,000
Marketable Securities	50,000
Stock	70,000
Marketable Securities	75,000
Prepaid Expenses	5,000
	<u>3,50,000</u>

**Current Liabilities:**

Trade Creditors	75,000
Bills Payable	25,000
Outstanding Expenses	15,000
Bank Overdraft	15,000
Provision for tax	20,000
	<u>1,50,000</u>

6. Attempt any *one* part of the following: 10 x 1 = 10

- (a) What is a Balance Sheet? Briefly explain Marshalling of Balance sheet with example.
- (b) "Fund Flow analysis is an effective tool of managing working capital in a firm." Explain.

7. Attempt any *one* part of the following: 10 x 1 = 10

- (a) Elaborate various types of activities that are considered in a Cash Flow Analysis.
- (b) What is inventory? Explain various types of inventory.

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