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**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

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

Qno.	Question	Marks	CO																																																				
a.	<p>From the following information, prepare the final accounts for the year ending 31.3.17.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>Particulars</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Cash in hand</td> <td>7,000</td> <td>Furniture</td> <td>2,500</td> </tr> <tr> <td>Building</td> <td>9,000</td> <td>Capital</td> <td>60,000</td> </tr> <tr> <td>Drawings</td> <td>40,000</td> <td>Wges</td> <td>8,000</td> </tr> <tr> <td>Creditors</td> <td>33,000</td> <td>Debtors</td> <td>30,000</td> </tr> <tr> <td>Bad Debts</td> <td>1,000</td> <td>Misc. Expenses</td> <td>700</td> </tr> <tr> <td>Postage &amp; Telegram</td> <td>400</td> <td>Insurance</td> <td>2,200</td> </tr> <tr> <td>Printing</td> <td>1,500</td> <td>Discount receivd</td> <td>1,000</td> </tr> <tr> <td>Discount allowed</td> <td>2,000</td> <td>Rent &amp; Rates</td> <td>4,500</td> </tr> <tr> <td>Carriage</td> <td>3,000</td> <td>Stok</td> <td>18,000</td> </tr> <tr> <td>Returns Outwards</td> <td>2,300</td> <td>Returns Inwad</td> <td>1,500</td> </tr> <tr> <td>Purchases</td> <td>70,000</td> <td>Sales</td> <td>1,00,000</td> </tr> <tr> <td>Outstanding expenses</td> <td>1,000</td> <td>Bills Payable</td> <td>4,000</td> </tr> </tbody> </table> <p>Stock on 31.3.17 Rs. 26,000</p>	Particulars	Rs.	Particulars	Rs.	Cash in hand	7,000	Furniture	2,500	Building	9,000	Capital	60,000	Drawings	40,000	Wges	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 receivd	1,000	Discount allowed	2,000	Rent & Rates	4,500	Carriage	3,000	Stok	18,000	Returns Outwards	2,300	Returns Inwad	1,500	Purchases	70,000	Sales	1,00,000	Outstanding expenses	1,000	Bills Payable	4,000	10	3
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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.	<p>The Balance Sheet of XYZ Ltd. As at 31<sup>st</sup> March 2018 is as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Liabilities</th> <th>Rs.</th> <th>Assets</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>1,00,000</td> <td>Land &amp; Buildig</td> <td>6,00,000</td> </tr> <tr> <td>18% Pref. Share Capital</td> <td>1,00,000</td> <td>Plant &amp; Machinery</td> <td>5,00,000</td> </tr> <tr> <td>Reserves</td> <td>60,000</td> <td>Furniture &amp; Fixtures</td> <td>1,00,000</td> </tr> <tr> <td>Profit &amp; Loss A/c</td> <td>2,40,000</td> <td>Less : Depreciation</td> <td>(2,00,000)</td> </tr> <tr> <td>15% Debentures</td> <td>8,00,000</td> <td></td> <td>10,00,000</td> </tr> <tr> <td>Trade Creditors</td> <td>40,000</td> <td>Trade Investments (log-term)</td> <td>1,00,000</td> </tr> <tr> <td>Bills Payable</td> <td>30,000</td> <td>Stok</td> <td>95,000</td> </tr> <tr> <td>Outstanding Expenses</td> <td>20,000</td> <td>Debtors</td> <td>3,40,000</td> </tr> <tr> <td>Bank overdraft</td> <td>10,000</td> <td>Less: Provision (30,000)</td> <td>3,10,000</td> </tr> <tr> <td>Provision for Tax</td> <td>2,40,000</td> <td>Marketable Securities</td> <td>10,000</td> </tr> <tr> <td></td> <td></td> <td>Cash</td> <td>10,000</td> </tr> <tr> <td></td> <td></td> <td>Bills receivables</td> <td>10,000</td> </tr> <tr> <td></td> <td></td> <td>Prepaid Expenses</td> <td>5,000</td> </tr> <tr> <td></td> <td></td> <td>Preliminary Expenses</td> <td>60,000</td> </tr> <tr> <td></td> <td></td> <td>Underwritig Commission</td> <td>40,000</td> </tr> <tr> <td></td> <td><b>16,40,000</b></td> <td></td> <td><b>16,40,000</b></td> </tr> </tbody> </table> <p>Net sales for the year amounted to Rs. 20,00,000. Calculate: (i) Current Ratio (ii) Quick Ratio (iii) Deb-Equity Ratio</p>	Liabilities	Rs.	Assets	Rs.	Equity Share Capital	1,00,000	Land & Buildig	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	Less : Depreciation	(2,00,000)	15% Debentures	8,00,000		10,00,000	Trade Creditors	40,000	Trade Investments (log-term)	1,00,000	Bills Payable	30,000	Stok	95,000	Outstanding Expenses	20,000	Debtors	3,40,000	Bank overdraft	10,000	Less: Provision (30,000)	3,10,000	Provision for Tax	2,40,000	Marketable Securities	10,000			Cash	10,000			Bills receivables	10,000			Prepaid Expenses	5,000			Preliminary Expenses	60,000			Underwritig Commission	40,000		<b>16,40,000</b>		<b>16,40,000</b>	10	4
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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