

Registration No :

--	--	--	--	--	--	--	--	--	--

Total Number of Pages :03

**MBAP  
PTMNG103**

**1<sup>st</sup> Semester Regular Examination 2017-18  
FINANCIAL ACCOUNTING AND ANALYSIS  
BRANCH: MBA(PT)  
Time: 3 Hours  
Max Marks: 100  
Q.CODE: B917**

**Answer Question No.1 and 2 which are compulsory and any four from the rest.  
The figures in the right hand margin indicate marks.**

**Q1 Answer the following questions briefly : (2 x 10)**

- a) How do you compute Stock Turnover Ratio?
- b) Name the subsidiary Books which record the :
  - i) Sale of furniture on credit
  - ii) Receipt of a cheque from a Debtor
- c) Name the institute which has framed the Accounting Standards in India. What is AS-6?
- d) How do you adjust the following items with the capital in the Balance Sheet?
  - i) Interest on Capital
  - ii) Net Loss.
- e) Write the difference between authorised capital and issued capital.
- f) Pass Journal Entry:  
Goods taken by proprietor for personal use Rs 5000.
- g) Pass Journal Entry:  
Depreciation is charged on Machinery Costing Rs 20000 @ 15% p.a
- h) What is meant by over subscription of share capital?
- i) Distinguish between Redeemable Debenture and Convertible Debenture.
- j) In which method of depreciation, the asset value becomes zero after its useful life? Show with an example

**Q2 Answer the following : (2 x 10)**

- a) Write two objectives of preparing Trial Balance.
- b) Give two differences between equity share and Preference share.
- c) Give two examples of Current Liability.
- d) Give two examples of Direct Expenses
- e) Give two examples of Intangible assets
- f) Give two examples of Representative personal account.
- g) Write two examples of Contra Entry in Triple column cash book.
- h) Write two transactions affecting the investing activities in a Cash Flow Statement.
- i) What is the difference between net profit and gross profit?
- j) Name two external users of the financial statement.

**Q3 Enter the following transactions in the Triple column Cash Book of M/S Kalinga Enterprises. (15)**

**2016**

Apr 1	Cash in hand	Rs. 5000
Apr 1	Cash at Bank	Rs. 15000
Apr 3	Cash sales	Rs. 6400
Apr 5	Received a cheque from Raghav	Rs. 700
Apr 10	Paid to Tapan by cheque	Rs. 9800
	discount allowed by him	Rs. 200
Apr 12	Cash Purchases	Rs. 2500
Apr 13	Cash Received from Debtors	Rs. 4000
Apr 14	Withdrew cash from bank	Rs. 5000

Apr 18	Received a cheque from Santosh and allowed him discount	Rs. 9450 Rs. 50
Apr 20	Stationery purchased for cash	Rs. 1200
Apr 25	Paid commission by cheque	Rs. 2000
Apr 28	Paid salaries	Rs. 10000
Apr 30	Interest credited by Bank	Rs.1500

**Q4** The following is the Trial Balance of M/S Infotech Solutions. Prepare Trading, P&L A/c for the year ending 31.12.2016 and the Balance sheet as on that date after taking into considerations the following adjustments. **(15)**

Particulars	Amount (Debit) Rs.	Particulars	Amount (Credit) Rs.
Opening stock	1,25,000	Capital	2,00,000
Cash in hand	5,000	Sundry Creditors	54,000
Carriage inward	1,000	Return outward	1,000
Wages	71,500	Bills payable	54,000
Bills Receivable	31,500	Sales	3,54,000
Sundry Debtors	19,000		
Purchases	1,22,000		
Return inward	500		
Furniture	52,000		
Advertising	6,000		
Salaries	54,000		
Insurance	1,500		
Plant & Machinery	1,50,000		
Drawings	23,000		
Bad debt	1,000		
<b>Total</b>	<b>6,63,000</b>	<b>Total</b>	<b>6,63,000</b>

**Adjustments:**

- a) Write off depreciation on plant & machinery @ 10 %
- b) Salaries outstanding Rs. 1000 and Wages outstanding Rs. 500
- c) Prepaid insurance Rs. 500
- d) Closing stock as on 31.12.2016 is Rs. 1,52,000

**Q5** What are the causes of Depreciation? Distinguish between Straight line method and Diminishing balance method of charging Depreciation. **(15)**

**Q6 a)** Assurance Company Ltd. issued 10,000 equity shares of Rs.10/- each payable as : Rs.3 on application, Rs.5 on allotment (including premium of Rs 2 per share), Rs.4 on the first and final call. Applications were received for 10000 shares and allotments were made in full. The entire issue was complete and all money due were received. Pass journal entries in the books of Assurance Co. Ltd.. **(7.5)**

**b)** Distinguish between Going concern concept and Accounting Period concept. **(7.5)**

**Q7 a)** The test of liquidity aims at evaluating the short term debt paying capacity of a firm. Discuss the ratios under this category to justify this statement. **(7.5)**

- b)** Calculate Return on Investment (ROI) and Earning Per Share (EPS) from the following information. **(7.5)**

Equity Share Capital(10000 shares of Rs100 each)	Rs. 1000000
12% Preference Share Capital(5000 shares of Rs 100 each)	Rs. 500000
Retained Earning	Rs. 100000
General Reserve	Rs. 40000
Interest on Loan	Rs. 30000
Earning Before Interest and Tax	Rs. 530000
Rate of Income Tax	50%

- Q8** How is Cash flow for a period classified in different activities as per Accounting standard-3? Explain with illustration how a Cash flow statement is prepared in this method. **(15)**