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MBA
(SEM I) THEORY EXAMINATION 2023-24
FINANCIAL ACCOUNTING AND ANALYSIS

TIME: 3HRS

M.MARKS: 100

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

SECTION A

1. Attempt all questions in brief.

Q no.	Question	Marks	CO
a.	Define the terms: Depreciation and Drawings.	2	1
b.	List any four non-current assets?	2	1
c.	Pass journal entry: Goods distributed as charity worth Rs. 10,000.	2	2
d.	Why we need Accounting Standards?	2	2
e.	Explain Extraordinary items and give an example of the same.	2	3
f.	Define the terms contingent assets and contingent liabilities.	2	3
g.	Explain the need of financial statement analysis.	2	4
h.	What is the significance of Liquidity ratios?	2	4
i.	Name any four tools used for the analysis of financial statement.	2	5
j.	Define CSR.	2	5

SECTION B

2. Attempt any three of the following:

a.	Name the persons interested in accounting information of a firm & also mention the reason for each of them.	10	1
b.	From the following transactions prepare the Journal entries in the books of Mr. Bhavya a steel merchant: i. Mr. Bhavya started business with cash Rs. 45,000 ii. Goods purchased worth Rs. 15,000 iii. Goods Purchases from Ram of Rs.6,500 iv. Goods sold worth Rs.14,000 v. Computer purchased for business use Rs. 5,500 vi. Final Payment made to Ram by cheque of Rs: 6,150 vii. Goods worth Rs. 2,000 withdrawn for domestic purposes. viii. Goods of Rs. 2,000 distributed as free sample.	10	2
c.	Prepare the detailed format of cash flow statement by indirect method.	10	3
d.	Suppose you are an investor, and you want to invest the money in A Ltd. What the things you would like to take care and which ratios you will calculate and why?	10	4
e.	Define forensic accounting also explain its objectives and needs.	10	5

SECTION C

3. Attempt any one part of the following:

a.	Discuss any five Accounting Concepts with examples in detail.	10	1
b.	A Ltd. Company purchased a machine on 1.4.2020 for Rs. 40,000 and for Rs. 80,000 on 1.7.2021. The first machine is sold on 1.10.2022 for Rs. 18,000 and on the same date a new machine is purchased for Rs. 1,00,000. Depreciation is	10	1



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	charged on 31 st March every year @ 10% p.a. prepare machine account for the first 3 years.		
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4. Attempt any one part of the following:

a.	Discuss double entry system with the help of an example also mention the merits and demerits of double entry system.	10	2																																												
b.	From the following ledger balances prepare a Trial Balance:	10	2																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Purchase</td><td style="width: 15%;">1,04,000</td><td style="width: 30%;">Drawings</td><td style="width: 25%;">7,950</td></tr> <tr> <td>Sundry Debtors</td><td>18,550</td><td>Sundry Creditors</td><td>8,300</td></tr> <tr> <td>Premises</td><td>62,000</td><td>Sales Return</td><td>5,360</td></tr> <tr> <td>Sales</td><td>1,49,000</td><td>Furniture</td><td>15,600</td></tr> <tr> <td>Purchase Return</td><td>8,900</td><td>Cash in Hand</td><td>390</td></tr> <tr> <td>Rates and Taxes</td><td>780</td><td>Capital</td><td>85,000</td></tr> <tr> <td>Bank balance</td><td>1,560</td><td>Wages and Salary</td><td>5,830</td></tr> <tr> <td>Carriage Inwards</td><td>650</td><td>Carriage Outward</td><td>260</td></tr> <tr> <td>Salaries</td><td>30,000</td><td>Rent Received</td><td>2,990</td></tr> <tr> <td>Opening Stock</td><td>20,000</td><td>Insurance</td><td>2,100</td></tr> <tr> <td>Bad Debts</td><td>260</td><td>Loan</td><td>10,330</td></tr> </table>				Purchase	1,04,000	Drawings	7,950	Sundry Debtors	18,550	Sundry Creditors	8,300	Premises	62,000	Sales Return	5,360	Sales	1,49,000	Furniture	15,600	Purchase Return	8,900	Cash in Hand	390	Rates and Taxes	780	Capital	85,000	Bank balance	1,560	Wages and Salary	5,830	Carriage Inwards	650	Carriage Outward	260	Salaries	30,000	Rent Received	2,990	Opening Stock	20,000	Insurance	2,100	Bad Debts	260	Loan	10,330
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5. Attempt any one part of the following:

a.	From the following Balance Sheets, prepare the Cash Flow Statement for the year ended March 31, 2022:	10	3																																																						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Liabilities</th><th style="text-align: center;">31-3-21</th><th style="text-align: center;">31-3-22</th><th style="text-align: left;">Assets</th><th style="text-align: center;">31-3-21</th><th style="text-align: center;">31-3-22</th></tr> <tr> <td></td><th style="text-align: center;">Rs.</th><th style="text-align: center;">Rs.</th><td></td><th style="text-align: center;">Rs.</th><th style="text-align: center;">Rs.</th></tr> </thead> <tbody> <tr> <td>Share Capital</td><td style="text-align: right;">2,00,000</td><td style="text-align: right;">2,50,000</td><td>Land and Buildings</td><td style="text-align: right;">2,00,000</td><td style="text-align: right;">1,90,000</td></tr> <tr> <td>General Reserve</td><td style="text-align: right;">50,000</td><td style="text-align: right;">60,000</td><td>Plant and Machinery</td><td style="text-align: right;">1,50,000</td><td style="text-align: right;">1,69,000</td></tr> <tr> <td>Profit & Loss A/c</td><td style="text-align: right;">30,500</td><td style="text-align: right;">30,600</td><td>Stock</td><td style="text-align: right;">1,00,000</td><td style="text-align: right;">74,000</td></tr> <tr> <td>Bank Loan</td><td style="text-align: right;">70,000</td><td style="text-align: center;">.....</td><td>Debtors</td><td style="text-align: right;">80,000</td><td style="text-align: right;">64,200</td></tr> <tr> <td>Sundry Creditors</td><td style="text-align: right;">1,50,000</td><td style="text-align: right;">1,35,200</td><td>Cash</td><td style="text-align: right;">500</td><td style="text-align: right;">600</td></tr> <tr> <td>Provision for Tax</td><td style="text-align: right;">30,000</td><td style="text-align: right;">35,000</td><td>Bank</td><td style="text-align: center;">.....</td><td style="text-align: right;">13,000</td></tr> <tr> <td></td><td style="text-align: right;">5,30,500</td><td style="text-align: right;">5,10,800</td><td></td><td style="text-align: right;">5,30,500</td><td style="text-align: right;">5,10,800</td></tr> </tbody> </table> <p>Additional Information:</p> <p>a) The Dividend of Rs.23,000 was paid.</p> <p>b) Machinery was purchased during the year Rs.33,000.</p> <p>c) Depreciation written off on machinery Rs.14,000; buildings Rs.10,000.</p>				Liabilities	31-3-21	31-3-22	Assets	31-3-21	31-3-22		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 & Loss A/c	30,500	30,600	Stock	1,00,000	74,000	Bank Loan	70,000	Debtors	80,000	64,200	Sundry Creditors	1,50,000	1,35,200	Cash	500	600	Provision for Tax	30,000	35,000	Bank	13,000		5,30,500	5,10,800		5,30,500	5,10,800
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b.	Prepare the format of Balance Sheet as per Companies act 2013.	10	3																																																						



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6. Attempt any one part of the following:

a.	From the following data, calculate Gross Profit Ratio, Current Ratio, Quick Ratio and Debt to Equity Ratio: Revenue from Operations ₹3,00,000; Cost of Revenue from Operations (Cost of Goods Sold) ₹2,00,000; Net Profit ₹30,000; Current Assets ₹60,000; Inventory ₹10,000; Current Liabilities ₹20,000; Share Capital ₹50,000 and Debentures ₹25,000.	10	4
b.	Discuss Advantages and Limitations of ratio analysis.	10	4

7. Attempt any one part of the following:

a.	Discuss the objectives and limitations of Human Resource Accounting.	10	5																																				
b.	Prepare Common-size Statement of Profit and Loss from the following Statement of Profit and Loss:	10	5																																				
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 25%;">31st March 2022</th> <th style="width: 25%;">31st March 2021</th> </tr> </thead> <tbody> <tr> <td colspan="3">I. Income</td> </tr> <tr> <td>Revenue from Operations (Net Sales)</td> <td>10,00,000</td> <td>10,00,000</td> </tr> <tr> <td>Other Income</td> <td>11,000</td> <td>10,000</td> </tr> <tr> <td>Total</td> <td>10,11,000</td> <td>10,10,000</td> </tr> <tr> <td colspan="3">II. Expenses</td> </tr> <tr> <td>Purchases of Stock-in-Trade</td> <td>7,00,000</td> <td>6,50,000</td> </tr> <tr> <td>Change in Inventories of Stock-in-Trade</td> <td>48,000</td> <td>50,000</td> </tr> <tr> <td>Employees Benefit Expenses</td> <td>98,000</td> <td>80,000</td> </tr> <tr> <td>Other Expenses</td> <td>90,000</td> <td>1,17,500</td> </tr> <tr> <td>Total</td> <td>9,36,000</td> <td>8,97,500</td> </tr> <tr> <td>III. Profit (I – II)</td> <td>75,000</td> <td>1,12,500</td> </tr> </tbody> </table>	Particulars	31 st March 2022	31 st March 2021	I. Income			Revenue from Operations (Net Sales)	10,00,000	10,00,000	Other Income	11,000	10,000	Total	10,11,000	10,10,000	II. Expenses			Purchases of Stock-in-Trade	7,00,000	6,50,000	Change in Inventories of Stock-in-Trade	48,000	50,000	Employees Benefit Expenses	98,000	80,000	Other Expenses	90,000	1,17,500	Total	9,36,000	8,97,500	III. Profit (I – II)	75,000	1,12,500		
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