

(Following Paper ID and Roll No. to be filled in your Answer Books)

Paper ID : 2289537

Roll No.

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MBA/MBATM

Regular Theory Examination (Odd Sem - I), 2016-17

FINANCIAL ACCOUNTING FOR MANAGERS

Time : 3 Hours

Max. Marks : 100

- Note : 1. Answer all questions from Section - A.
2. Answer any three questions from Section - B.
3. Answer all questions from Section - C using internal choice.

Section - A

Write Short Notes on following in not more than 50-75 words. (8×2.5=20)

1. Gross Margin and Return on Investment.
2. Contra Entries.
3. Profit Maximization and Wealth Maximization Criteria.
4. Accounting Conventions.
5. Business Entity Concept.
6. Subsidiary Books.

7. Errors of Principles.
8. Provisions

Section - B

Write notes on following in not more than 100 to 200 words. Attempt 3 out of 6. (3×10=30)

1. What do you understand by Fundamental Accounting Concepts? Enumerate these concepts. Do you find any of these concepts conflicting with each other? Answer giving suitable examples.
2. Why is depreciation charged while preparing the Profit and Loss Account? Distinguish between any two methods of charging depreciation and show their effect on the net profit. Which method is more logical and why?
3. Write note on the followings :
 - a) Accounting Equation.
 - b) Accounting Cycle.
4. Journalize the following Transactions in the books of M/s Shanker in the year 2016.

		Rs.
June 1	Started business with a capital of	50,000
June 2	Paid into bank	30,000
June 4	Purchased goods from kamal on credit	15,000
June 6	Paid to shiram (he allowed discount of Rs. 100)	4,900

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		Rs.
June 8	Cash Sales	20,000
June 12	Sold to Hameed	5,000
June 15	Purchased goods from Bharat on credit	9,500
June 18	Paid Salaries	4,000
June 20	Received from prem (Discount allowed Rs. 20)	2,480
June 25	Withdraw from bank for office use	5,000
June 28	Withdraw for personal use	4,000
June 30	Paid Hanif by cheque	7,000

5. From the following details prepare a balance sheet :

Particulars	Amount
36,900 equity share of Rs. 10 each fully paid-up	3,69,000
10% cum, preference share capital	80,000
Capital reserve	71,000
Share premium a/c	10,000
P&L a/c (cr.)	24,910
Bank OD (secured by mortgage on land and buildings)	50,000
Creditors	20,000
Outstanding Managerial Remuneration	1,800
Provision for income-tax	26,190
Proposed dividend on preference shares	9,600
Advance payment of income-tax	6,000
Cash at bank	5,000

Particulars	Amount
Cash on hand	1,000
Debtors	47,500
Stock	40,000
Investments	1,80,000
Furniture	14,400
Buildings	68,600
Freehold land	3,00,000

6. What are the key steps involved in ratio analysis? Explain various types of liquidity ratios with examples.

Section - C

Attempt all 5 questions using internal choice.

(5×10=50)

7. What are Accounting standards? How Indian Accounting standards and International Accounting Standards are different?

OR

What are different types of Accounts? Explain various principles of accounting used for these accounts.

8. Triveni Ltd. has the following earnings last year :

Particulars	Rs.
Profit before tax	26,50,000
Tax rate	40%

Particulars	Rs.
Proposed equity dividend	25%
Capital employed	
10% preference share capital	15,00,000
80,000 Equity share of Rs. 50 each	40,00,000
Current market price per equity	125

Calculate :

- Earning per share.
- Price Earning Ratio.
- Dividend Payout ratio.

OR

What do you mean by Bank Reconciliation statement?
Why is it necessary to prepare this statement by the firms?

9. Explain the meaning and characteristics of balance sheet.
Differentiate between balance sheet and trial balance.

OR

Explain the difference between Human Resource Accounting and Forensic Accounting. Explain them with examples.

10. Define a Fund Flow Statement. What are their usages? Calculate fund from operation from the profit and loss a/c.

Profit and Loss a/c

Particulars	Amount (in Rs.)	Particulars	Amount (in Rs.)
To Rent	10,000	By Gross Profit	9,86,000
To Salary	25,000		
To Depreciation on Furniture	3,000		
To Discount on issue of shares	10,000		
To Goodwill written off	5,000		
To Preliminary expenses	6,000		
To New profit	9,27,000		
Total	9,86,000	Total	9,86,000

OR

What is Cash Flow Statement? What are the different types of activities in Cash Flow Statement? Give a format for the same

11. Explain the concept of Working Capital. Are gross and net concepts of working capital exclusive? Discuss. What method do you suggest for estimating working capital needs?

OR

Explain the need for financial analysis. How does the use of ratios help in financial analysis? Explain with examples.

