K1(2)



School of Finance and Commerce

Master of Business Administration in Financial Management Semester End Examination - Jul 2024

Duration: 180 Minutes Max Marks: 100

1)

Sem I - H1PE101T - Financial Accounting and Reporting

General Instructions

Answer to the specific question asked Draw neat, labelled diagrams wherever necessary Approved data hand books are allowed subject to verification by the Invigilator

List the advantages of accounting.

2) 3) 4)	Differentiate between cash flow statement and balance-sheet. Explain the different types of assets and liabilities. Ledger is also called the Principal Book of Accounts' .Elaborate and	K2(4) K2(6) K3(9)
5)	explain the rule of posting. Journalize the following transaction and prepare cash a/c, bank a/c, sales a/c and purchase a/c :-	K3(9)
	Sept 1 Started business with Rs 50,000 Sept 2 Paid into bank Rs 20,000. Sept 2 Bought furniture for Rs 5,000 and machinery for Rs 10,000. Sept 3 Purchased goods for Rs 14,000. Sept 6 Sold goods for Rs 8,000. Sept 8 Purchased goods from Malhotra & Co Rs 11,000. Sept 11 Paid telephone rent by cheque Rs 500. Sept 15 Bought one typewriter for Rs 2,100 from universal typewriter company On credit. Sept 17 Sold goods to keshav Ram for Rs 12,000	
	Sept 19 Sold goods to Rajesh for Rs 2,000 for cash. Sept 21 Amount withdrawn for personal use Rs 1,500. Sept 30 Paid salary to the employees Rs 10,000	
6)	"Depending upon once requirement, companies can adopt any of the depreciation methods." Appraise the given statement by explaining any two methods of charging depreciation.	K5(10)
7)	Evaluate how following adjustement entries will be shown in income and expenditure account of non-profit organisation. 1.Outstanding expnses 2.Preparid expenses 3.Depreciation of asset 4.Accrued Income 5.Income due but not received	K4(12)
8)	Record the following trnasction in double column cash book on	K5(15)

31st march ,2005:

2005 Sep 1 Cash in hand Sep 2 Cash at Bank Sep 3 Received from Mr A cash Rs 2,200 and a cheque Rs 4,200, alowed discount	Rs 13,750 73,400
Rs 500 Sep7 Paid Rent by cheque Sep 9 Withdraw cash from bank for office use Sep 12 Interest paid o bank balance Sep 16 Purchased furniture in cash Sep 21 Paid M and Company by chequr, dicount received Rs 200	26,600 22,900 2,200 17,500 11,900
sep 25 Proprietor withdrew for office for his personal use sep 27 Sold goods to Akbar for cash sep 30 deposuted office cash into bank	12,600 15,800 22,200

K5(15)

K6(18)

Comment on the position of company after calculating following ratios from the following:1. Current ratio 2. Debt-equity ratio 3. earning per share 4. Working capital turnover ratio 5. Liquid ratio 6. operating profit ratio.

Balance-sheet as on 31-3-95

	RS	Asset	Rs				
Capital +Liabilities							
Capital of Rs 10 each70,000							
Reserves		Fixed asset	90,000				
Secured loans	22,000	Current asset	1,10,000				
Current liabilities	26,000	Loans and advances52,000					
Provisions	54,000						
	2,52,000	0	2,52,000				

Trading and Profit and Loss account for the year ended

Particulars		t Paticulars	Amount
	44,000		
	84,000		
	40,000		
To opening stock	32,000		
To purchases	8,000		
To wages	6,000		
To factory expenses			
To administrative expenses	2,000	Dy colon	2 10 000
To selling expenses		By sales	2,10,000
To managerial remuneration	2,000	By closing stock46,000	JCK40,000
To transfer to reserve			
To income-tax	2,000		
To proposed duvidend			
To Net profit after tax and divide	end22,000		
·	6,000		
	10,000		
	2,56,000	0	2,56,000

The following balances are drawn from the books of M/s Arvind Mills as on 31-12-1997. Table. Adjustments: (a) Closing stock is Rs.30,000 (b) Provide for depreciation @ 10 % on buildings. (c) Write off further bad debts – Rs. 1,000 (d) Salaries yet to be paid-

Rs. 3,000 You are required to prepare a trading and profit & loss a/c and balance sheet of M/s Arvind Mills.

Account	Amount			
Land	1,00,000			
Sales	3,00,000			
Building	2,00,000			
Purchases	1,75,000			
Sales returns	10,000			
Stock (1-1-97)	25,000			
Purchase returns	5,000			
Debtors	50,000			
Bank overdraft	15,000			
Cash in hand	5,000			
Creditors	20,000			
Salaries	10,000			
Wages	12,000			
Goodwill	15,000			
General expenses5,000				
Selling expenses	12,000			
Bad debts	1,000			
Insurance	1,000			
Capital	2,81,000			