



MBA (C) I/12.14.1077

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**MBA (FT)/MBA(IB)/MBA(TT)/MBA (PT) DEGREE I SEMESTER EXAMINATION
DECEMBER 2014**

**SMS 2105/SMI 2105/SMT 2105/SMP 2105 FINANCIAL ACCOUNTING
(2012 Scheme)**

Time: 3 Hours

Maximum Marks: 50

PART A

(Answer *ALL* questions)

(5 x 2 = 10)

1. What is separate entity concept?
2. State the purpose of preparing a bank reconciliation statement.
3. How is a manufacturing account prepared?
4. Draw the format of a company balance sheet.
5. What are profitability ratios?

PART B

(Answer *ANY FIVE* questions)

(5 x 4 = 20)

6. How are the Indian Accounting Standards formulated?
7. What do you understand by subsidiary books? Describe the objectives of preparing them.
8. Explain the different types of errors with suitable examples and state how they affect the trial balance.
9. Record the following transactions in the purchase day book and show the ledger postings:
 - (a) 16-10-2011 Purchased 480kg butter from M/s Dairy Product Co. @ ₹7.80 per kg less 15%.
 - (b) 20-12-2011 Purchased 56kg ghee from Bharath Vegetable Products @ ₹12 per kg less 17.5%.
 - (c) 22-10-2011 Purchased 46kg butter from Bow Bazaar Milk Cooperative @ ₹7.25 a kg less 12.5%.

(P.T.O.)



10. From the following particulars, prepare a Bank Reconciliation Statement as on 31-12-2011:

- (i) Balance as per Cash Book @ ₹5800.
- (ii) Cheques issued but not presented for payment ₹2,000.
- (iii) Cheques sent for collection but not collected upto 31 December 2011 ₹1,500.
- (iv) The bank had wrongly debited the account of the firm by ₹200, which was rectified by them after 31 December.

Balance as per pass book is ₹6,100.

11. From the following Trial Balance, prepare Final Accounts:

	Debit balances ₹	Credit balances ₹
Opening stock	15,500	-
Land and buildings	35,000	-
Machinery	50,000	-
Furniture and fixtures	5,000	-
Purchases	1,06,000	-
Salaries	11,000	-
Postage and telegram	6,900	-
Freight on purchases	2,800	-
Wages	26,000	-
Repairs	8,500	-
Stationery	1,900	-
Sundry debtors	30,000	-
Cash	6,500	-
Sales return	5,100	-
Capital	-	90,000
Sundry creditors	-	10,200
Purchase return	-	3,300
Sales	-	2,06,700
	<u>3,10,200</u>	<u>3,10,200</u>

Adjustments:

- (a) Wages outstanding ₹2,100
- (b) Depreciate: Land and buildings 5%, Machinery 10%
- (c) Closing stock ₹14,900.

12. Distinguish between horizontal and vertical analysis.

(Contd....3..)



PART C
(Answer ANY TWO questions)

(2 x 10 = 20)

13. The following are the balances of A Limited as on 31st March 2012:

Credit	₹	Debit	₹
Share capital	40,00,000	Premises	30,72,000
12% Debentures	30,00,000	Plant	33,00,000
Profit and Loss Account	2,62,500	Stock	7,50,000
Bills Payable	3,70,000	Debtors	8,70,000
Creditors	4,00,000	Goodwill	2,50,000
Sales	41,50,000	Cash and bank	4,06,500
General reserve	2,50,000	Calls-in-arrear	75,000
Bad debts provision on 1-4-2011	35,000	Interim dividend paid	3,92,500
		Purchases	18,50,000
		Preliminary expenses	50,000
		Wages	9,79,800
		General expenses	68,350
		Salaries	2,02,250
		Bad debts	21,100
			1,80,000
	<u>1,24,67,500</u>		<u>1,24,67,500</u>

Additional information:

- Depreciate plant by 15%.
 - Write off ₹5,000 from preliminary expenses.
 - Half year's debenture interest due.
 - Create 5% provision on debtors for doubtful debts.
 - Provide for income tax @50%.
 - Stock on 31 March 2011 was ₹9,50,000
 - A claim of ₹25,000 for workmen's compensation is being disputed by the company.
 - Ignore corporate dividend tax.
- Prepare the Final Accounts of the Company.

14. Balance sheet of X & Y Ltd. as on 31-12-2011 is as follows:

Liabilities	₹		₹
Equity capital	2,00,000	Fixed assets	3,60,000
9% Preference capital	1,00,000	Stock	50,000
8% Debentures	1,00,000	Debtors	1,10,000
Profit & Loss Account	40,000	Bill receivable	6,000
Creditors	90,000	Bank	4,000
	<u>5,30,000</u>		<u>5,30,000</u>

Find out:

- Debt-Equity ratio
- Current ratio
- Liquidity ratio

15. Elucidate the issues related to IFRS and its adoption in India.
