

MBA DEGREE (FT) I SEMESTER EXAMINATION NOVEMBER 2010**SMS 2106 FINANCIAL ACCOUNTING**

Time : 3 Hours

Maximum Marks : 50

(Each question carries TEN marks)

- I. A. What do you understand by Generally Accepted Accounting Principles? Explain its relevance in financial reporting.

OR

- B. Discuss the various accounting concepts and conventions adopted while keeping Books of Accounts.

- II. A. Discuss various types of errors and its impact on financial statements. How will you rectify these errors?

OR

- B. The following is the trial balance of Mr.Raghu as on 31st March 2010.Prepare the trading and profit and loss account for the year ended 31st march 2010 and a Balance sheet as on that date.

<u>Trial Balance</u>	<u>Debit Balance</u>	<u>Credit Balance</u>
Capital	-----	1 00 000
Building	15000	-----
Drawings	18000	-----
Furniture	7500	-----
Motor car	25000	-----
Loan from Anand @12%	-----	15000
Interest paid on above	900	-----
Purchases and sales	75000	1 00 000
Opening stock	25000	-----
Establishment expenses	15000	-----
Wages	2000	-----
Insurance	1000	-----
Commission	-----	7500
Debtors and creditors	28100	10000
Bank balance	20000	-----
	-----	-----
	2,32,500	2,32,500

- Adjustments:
1. Closing stock is valued at Rs.32000
 2. Outstanding wages-Rs.500
 3. Prepaid Insurance -3000
 4. Allow interest on capital @ 10% p.a
 5. Depreciate Building by 2.5%,furniture by 10%,motor car by 15%

- III. A. What is an Income and Expenditure Account? How is it different from a Receipts and Payment Account ?

OR

- B. From the following particulars relate to a club, prepare an Income and expenditure Account and Balance Sheet as on 31st march 2010

Balance sheet as on 1st April 2009

Outstanding Rent	850	Cash at Bank	: 6000
Capital Fund	31150	Govt. securities	: 20000
		Accrued interest	: 250
		Outstanding subscription	: 800

(P.T.O)

