

**MBA (FT/PT) First Semester University End Semester Examination March 2021
(Regular and Supplementary)**

20-371-0105/16-371-0105: Financial Accounting

Time: 3 Hours

Max. Marks: 50

PART - A

(Answer all 5 questions. Each question carries 2 Marks)

1. Journal is a book of primary entry whereas ledger is a secondary record. Explain
2. Write a short note on accounting standards.
3. What is Source document? Give some examples.
4. What do you mean by bank reconciliation statement?
5. What is meant by Business Entity concept?

PART - B

(Answer any FIVE questions. Each question carries 4 marks)

6. "Conversion or convergence to IFRS leads to global harmonization" Comment
7. Briefly explain various tools used for analysis and interpretation of financial statement
8. Explain the terms:
a) Journal b) Capital c) Creditor d) Double entry book keeping e) Debtor
9. Journalise the following
June 1. Sold goods to Raju 10,000
.. 2. Received cheque from Raju 5,000
.. 3. Purchased goods from John 8000
.. 4. Rent Paid 2000
.. 5. Issued cheque to John 4,000
10. What do you mean by rectification of errors in a trial balance, explain with examples.
11. Following is a Trial Balance prepared by an incompetent accountant. You are required to rewrite it.

	Dr. (Rs)	Cr. (Rs)
Capital	22,000	
Opening Stock	6,500	
Furniture	2,700	
Purchase		8,850
Cash	7,300	
Carriage	300	
Sales		22,700
Building	12,000	
Return Inwards		1,500
Return Outwards	350	
Trade Expense	1,000	
Discount Received	370	
Salary	3,500	
Office Rent		1,770

	<u>56,020</u>	<u>34,820</u>

12. Prove Accounting equation

- 1) Started business with cash 60,000 and Building 40,000
- 2) Cash Purchase 30,000 and credit purchase 20,000

- 3) Paid wages 5000
- 4) Paid to creditors 10000
- 5) Goods worth 20000 sold for 30,000

PART - C

(Answer any TWO questions. Each question carries 10 marks)

13. Record following transactions and prepare trial balance on 31st March

- Mar 1 Started business with cash Rs. 17,000; and Furniture Rs.15000
 3 Purchased goods for cash Rs.7000
 4 Sold goods to John Rs. 5000
 5 Purchased goods from Reji Rs. 7000
 6 Goods returned by John Rs. 300
 11 Cash received from John Rs.3000
 12 Opened a bank account Rs.10,000
 14 Personal drawings in cash Rs.1500
 15 Paid salary Rs. 1000
 28 Withdrew from Bank Rs. 1000

14. The following is a trial balance on 31st March 2011.

Particulars	Dr(Rs)	Cr(Rs)
Capital		40,500
Purchases	45,000	
Purchase returns		3,000
Sales		72,000
Sales return	2,000	
Cash in hand	2,200	
Salaries	3,050	
Rent	1,250	
Commission		1,000
Wages	1,500	
Carriage	500	
Creditors		6,000
Debtors	9,000	
Machinery	3,000	
Furniture	10,000	
Land and Buildings	45,000	
Total	1, 22,500	1, 22,500

Additional Information

1. Commission received in advance Rs.800
2. Wages outstanding Rs. 1000
3. Depreciation on furniture 10% and machinery 5%
4. Bad debts Rs. 500

Prepare Trading and Profit and Loss Account and Balance Sheet as on 31st March 2011.

15. Explain the various accounting principles concepts and conventions