

MBA Degree (FT/PT) First Semester University End Semester Examination- January, 2024
21-371-0105/21-372-0104: Financial Accounting
 (Regular and Supplementary)

Time: 3 Hours

Max. Marks: 50

Course Outcomes: On completion of the course, the student will be able to

CO1	Ability to recall the accounting principles, concepts, accounting conventions, accounting standards and the concepts such as double entry book-keeping, accounting process, financial statements, and analysis and interpretation of financial statements.
CO2	Understanding the preparation of Day Books, Ledger, Trial Balance, Financial statements and related accounting statements.
CO3	Developing marginal skills to cross check and locate errors in accounting statements and physical cash and bank balance reconciliation with the help of suitable illustrations and cases.
CO4	Inculcating skills to examine the financial statements such as income statement and position statement to bring out meaningful information regarding the cost, revenue, assets and liabilities by establishing relationships between the above variables.
CO5	Develop the capacity to judge resources utilization efficiency, profitability, liquidity and solvency of business undertakings with the help of the accounting skill sets acquired.
CO6	Decomposition of financial statements to workout scenarios for comparison and better planning.

BL – Bloom's Taxonomy: (L1- Remember, L2 - Understand, L3 – Apply, L4-Analyse, L5-Evaluate, L6-Create)

PART A

(Answer ALL questions. Each question carries 2 marks)

Q. Nos.	Questions	Marks	BL	CO
1	What is stock turnover ratio?	2	2	1
2	A firm purchases a machinery, and records the price at the market rate. Which accounting principle is violated here?	2	4	3
3	What is meant by depreciation?	2	1	4
4	Write short notes on the following. a. GAAP b. IFRS	2	1	2
5	A company reports Sales at Rs. 6, 43,000 and average total assets at Rs 4,29,000/. Calculate the asset turnover ratio.	2	3	4

(5X2=10 marks)

PART B*(Answer ANY FIVE Questions. Each question carries 4 marks)*

Q.Nos.	Questions	Marks	BL	CO																																										
6	Discuss the process of accounting.	4	1	2																																										
7	"India Converged to IFRS in 2016." Comment on it and compare Ind AS with IFRS.	4	5	2																																										
8	Prepare a common size statement. Balance Sheet of Great India Ltd as on 31/12/2023. <table border="1" data-bbox="274 465 1141 1243"> <thead> <tr> <th>Liabilities</th> <th>Rs.</th> <th>Assets</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td>1,00,000</td> <td>Building</td> <td>50,000</td> </tr> <tr> <td>General Reserve</td> <td>28,000</td> <td>Plant and Machinery</td> <td>24,000</td> </tr> <tr> <td>P&L A/c</td> <td>13,000</td> <td>Goodwill</td> <td>40,000</td> </tr> <tr> <td>Debentures</td> <td>10,000</td> <td>Investment</td> <td>21,000</td> </tr> <tr> <td>Bank Loan</td> <td>30,000</td> <td>Stock</td> <td>21,400</td> </tr> <tr> <td>Creditors</td> <td>5,400</td> <td>Trade Investments</td> <td>2,000</td> </tr> <tr> <td rowspan="2">Bills Payable</td> <td rowspan="2">29,400</td> <td>Debtors</td> <td>32,200</td> </tr> <tr> <td>Cash at Bank</td> <td>15,200</td> </tr> <tr> <td></td> <td></td> <td>Preliminary Expense</td> <td>10,000</td> </tr> <tr> <td>Total</td> <td>2,15,800</td> <td>Total</td> <td>2,15,800</td> </tr> </tbody> </table>	Liabilities	Rs.	Assets	Rs.	Share Capital	1,00,000	Building	50,000	General Reserve	28,000	Plant and Machinery	24,000	P&L A/c	13,000	Goodwill	40,000	Debentures	10,000	Investment	21,000	Bank Loan	30,000	Stock	21,400	Creditors	5,400	Trade Investments	2,000	Bills Payable	29,400	Debtors	32,200	Cash at Bank	15,200			Preliminary Expense	10,000	Total	2,15,800	Total	2,15,800	4	5	6
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Total	2,15,800	Total	2,15,800																																											
9	Prepare cash account of the business from the following information 1/3/2023. Started business with cash Rs.1,00,000 3/3/2023 Purchase goods for cash Rs.20,000 4/3/2023 Opened a bank account Rs.30,000 5/3/2023 Sold goods to John Rs.10,000 7/3/2023 Received a cheque from John Rs.5000 12/3/2023 Paid Salary Rs.8000 18/3/2023 Purchased goods and paid by cheque Rs.5000 25/3/2023 Discount received Rs.3000	4	4	2																																										
10	"Liquidity ratios guide the short term creditors in assessing repayment capacity of the organisation" Comment	4	5	6																																										

11	From the following ledger balances prepare trial balance of the organisation on 31/3/2022		4	4	2	
	Drawings	10,000				
	Plant and Machinery	60,000				
	Capital	50,000				
	Sales	1,60,000				
	Purchase	80,000				
	Opening Stock	30,000				
	Wages	8,000				
	Depreciation	2,000				
	Cash	1,000				
	Salary	3,000				
	Rent	6,000				
Debtors	30,000					
Creditors	20,000					
12	From the Following information on 31/12/2013 prepare Profit and Loss Account		4	3	4	
Opening Stock	6,000	Purchase				16,800
Salaries	1,100	Office Rent				400
Factory Rent	1,000	Wages				8,000
Sales	30,000	Sales Return				1000
Carriage Inwards	450	Discount Given				400
Purchase Returns	800	Closing Stock				7,500

(5X4=20 marks)

PART C

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

Q. Nos.	Questions	Marks	BL	CO
13	Show the effect of the following transactions on the assets, liabilities and capital through the accounting equation (i) Commenced business with cash Rs. 80,000. (ii) Purchased machinery Rs 10000 (iii) Purchased raw materials for cash Rs.20, 000 and on credit Rs.10,000. (iv) Paid rent Rs.5000 (v) Sold goods worth Rs.20,000 for Rs.30,000 (vi) Paid salary Rs.500 (vii) Bought Mobile phone for personal use Rs.8,000, and paid fom firms account. (viii) Raised a loan from the bank Rs.15000.	10	3	5
14	Discuss the accounting principles, conventions and concepts with examples.	10	2	1

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From the following balances extracted from the books of M/s Moon Traders as on 31/03/2023, prepare the final accounts for the firm.

Particulars	Dr (Rs.)	Cr (Rs.)
Capital		8,00,000
Reserves and Surplus		20,000
Bank Loan		5,00,000
Other current Liabilities		25,000
Building	5,22,000	
Machinery	2,50,000	
Investments	1,75,000	
Stock on 01/04/2022	1,30,000	
Debtors	1,80,000	
Bad Debts	5,000	
Discounts	3,000	4500
Wages	50,000	
Purchases	1,00,000	
Insurance premium paid	1,00,000	
Sales		4,00,000
Salaries	60,000	
Transportation expenses	1,79,500	
Interest		5000
Total	17,54,500	17,54,500

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Notes

- Wages outstanding Rs. 20,000
- Discount receivable Rs.2500
- Depreciate the value of Building @ 5%
- Purchase include purchase of Machinery Rs.40,000
- The closing Stock was valued at Rs 80,000.
- Insurance premium included Rs. 20,000 pertaining to the year 2023-24.

(2x10=20 marks)
