

**MBA**  
**(SEM I) THEORY EXAMINATION 2024-25**  
**FINANCIAL ACCOUNTING & ANALYSIS**

**M.MARKS: 70**

**TIME: 3 HRS**

Note: 1. Attempt all Sections. If require any missing data; then choose suitably.

**SECTION A**

1. Attempt all questions in brief. 2 x 7 = 14
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| a. | State the division between WDV & SLM                                     |
| b. | Outline the importance of Full Disclosure convention.                    |
| c. | Discuss subdivision of journal.  |
| d. | Enumerate the utility of accounting for Corporate Social Responsibility. |
| e. | Define the terms contingent assets and contingent liabilities.           |
| f. | Discuss the treatment of goods sold on accrual basis in final accounts.  |
| g. | Discuss the significance of activity ratios.                             |

**SECTION B**

2. Attempt any three of the following: 7 x 3 = 21

a. On 1st January, 2018, X purchased a machine for Rs. 50,000. On 30th June, 2020 machinery was sold for Rs. 26,000 and on the same date a new machine is purchased for Rs. 40,000. Depreciation is charged at 10% per annum on original cost. Calculate depreciation and Show the Machinery account in the books of X first three calendar years. X closes the books on 31st December.

b. Sri Ram & firm has the following business transactions:  
 Jan 1: Business started with cash of ₹5,00,000 and bank balance of ₹2,00,000.  
 Jan 3: Purchased furniture worth ₹50,000, paid via cheque.  
 Jan 5: Purchased goods worth ₹1,00,000 on credit from ABC Suppliers.  
 Jan 8: Paid ₹20,000 for office rent.  
 Jan 10: Sold goods worth ₹80,000 for cash (cost of goods sold was ₹50,000).  
 Jan 15: Received ₹30,000 from a debtor for goods sold on credit previously.  
 Jan 18: Paid ₹70,000 to ABC Suppliers for the earlier credit purchase.  
 Jan 22: The owner withdrew ₹25,000 in cash for personal use.  
 Jan 25: Paid ₹10,000 for electricity expenses.  
 Jan 31: Accrued salary expenses of ₹15,000, not yet paid.  
 Compute the journal entries for the above transactions in the books of Sri Ram & firm.

c. Balance Sheets of X and Y on 1.1.2017 and 31.12.2017 were as follows:

**Balance Sheet**

Liabilities	1.1.17	31.12.17	Assets	1.1.17	31.12.17
	Amount (Rs.)	Amount (Rs.)		Amount (Rs.)	Amount (Rs.)
Creditors	40,000	44,000	Cash	10,000	7,000
Mrs. X's loan	25,000	-	Debtors	30,000	50,000
Loan from bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Building	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year, a machine costing Rs. 10,000 (accumulated depreciation Rs. 3,000) was sold for Rs. 5,000. The provision for depreciation against machinery, as on 1.1.2017 was Rs. 25,000, and on 31.12.2017 it was Rs. 40,000. Net profit for the year 2017 amounted to Rs. 45,000. You are required to prepare a cash flow statement.

d. From the information given below:  
 Revenue from Operations - 10,00,000  
 Cost of Goods Sold - 6,00,000  
 Current Assets - 4,00,000  
 Current Liabilities - 2,80,000  
 Paid-up Share Capital - 5,00,000  
 13% Debentures - 2,00,000



