

**MBA**  
**(SEM-I) THEORY EXAMINATION 2020-21**  
**FINANCIAL ACCOUNTING & ANALYSIS**

Time: 3 Hours

Total Marks: 100

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

**SECTION A**

1. Attempt all questions in brief.

2 x 10 = 20

Qno	Question	Marks	CO
a.	Define the terms contingent assets and contingent liabilities.	2	1
b.	What is convention of conservatism?	2	1
c.	What is periodical matching of Income & Expenses?	2	2
d.	What do you understand by a Trial Balance?	2	2
e.	Show how Cost of Goods Sold is calculated.	2	3
f.	What are the ways of Marshalling of balance sheet?	2	3
g.	Show various categories of liquidity ratios.	2	4
h.	Define the term Human Resource Accounting.	2	4
i.	What is the use of Trend Analysis?	2	5
j.	What do you understand by the term Leverage?	2	5

**SECTION B**

2. Attempt any three of the following:

Qno.	Question	Marks	CO
a.	"Depreciation is allocating the cost of assets to the business over the useful life of the assets." Explain. Also differentiate between fixed installment method and diminishing balance method of depreciation.	10	1
b.	On 1 <sup>st</sup> January, 2016, the following were the ledger balances of R & Co.: Cash in hand ` 1900; Cash at Bank ` 21,000; Stock ` 12,000; Raja (Cr.) ` 3,000; Ram (Dr) ` 2,400; Prasad (Cr.) ` 6,000; Sharma (Dr.) ` 45,000; Lall (Cr.) ` 2,700. Transactions during the month were: 2016 Jan. 02 Bought goods from Prasad 2,700 Jan. 03 Sold to Sharma 3,000 Jan. 05 Bought goods from Lall for cash, paid by cheque 3,600 Jan. 07 Took goods for personal use 200 Jan. 13 Received from Ram in full settlement 2,350 Jan. 17 Paid to Raja in full settlement 2,920 Jan. 22 Paid cash for stationery 50 Jan. 29 Paid to Prasad by cheque 2,650 Discount allowed by him 50 Jan. 30 Provided interest on capital 100 Rent due to landlord 200 Journalize the above transactions.	10	2
c.	What is a Cash flow statement? State its utility and limitations.	10	3
d.	"In order to understand the profitability and financial soundness of a firm, it carries out analysis and interpretation of its financial statements." Explain how a firm does these analyses.	10	4
e.	Write a brief note on: (i) Forensic Accounting., (ii) Accounting for Corporate Social Responsibility.	10	5



PAPER ID-311540

Subject Code: KMBN103

Roll No:

**SECTION C**

**3. Attempt any one part of the following:**

Qno.	Question	Marks	CO
a.	Briefly discuss who are the persons interested in accounting information of a firm and Why?	10	1
b.	Show the dual effect (accounting equation) of the following transactions on the assets and liabilities of business (i) Started business with cash ₹ 50,000 (ii) Purchased goods on credit ₹ 8,000 (iii) Purchased delivery van on credit for ₹ 4,000 (iv) Paid ₹ 5,000 to a supplier of goods on credit. (v) The proprietor withdrew ₹ 2,000 for personal expenses. (vi) Sold goods to Hamid on credit for ₹ 5,000, cost price was ₹ 4,000 (vii) Goods lost by theft ₹ 1,000, Selling Price was ₹ 1,500. (viii) Paid salary ₹ 1,000.	10	1

**4. Attempt any one part of the following:**

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a.	What do you understand by convergence of Indian Accounting Standards with IFRS? Show how Indian Accounting Standards are matched with International Accounting Standards.	10	2																																																																				
b.	The following are the balances of J.A. Co. Ltd. as on 31 <sup>st</sup> March, 2017:	10	2																																																																				
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<p><b>Additional Information:</b></p> <p>(a) Depreciate Plant by 15%.            (b) Half-year's Debenture Interest due.            (c) Credit 5% Provision of Debtors for Doubtful Debts.            (d) Provide for Income Tax @ 50%.            (e) Stock on 31<sup>st</sup> March, 2017 was ₹ 9,50,000.            (f) A claim of ₹ 25,000 for workmen's compensation is being disputed by the company.</p> <p>Prepare Final Accounts of the company as per Schedule III of the Companies Act 2013.</p>																																																																							





Roll No: 

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7. Attempt any one part of the following:

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a.	<p>From the following Profit and Loss Account and the Balance Sheet of S. P. Ltd. for the year ended 31<sup>st</sup> December, 2015 and 2016, you are required to prepare a Comparative Income Statement and a Comparative Balance Sheet.</p> <p style="text-align: center;"><b>Profit and Loss Account</b> (' In Lakhs)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th></th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> <th></th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td>To Cost of Goods Sold</td> <td style="text-align: center;">600</td> <td style="text-align: center;">750</td> <td rowspan="4" style="text-align: center; vertical-align: middle;">By Net Sales</td> <td rowspan="4" style="text-align: center;">800</td> <td rowspan="4" style="text-align: center;">1,000</td> </tr> <tr> <td>Administration Expenses</td> <td style="text-align: center;">20</td> <td style="text-align: center;">20</td> </tr> <tr> <td>Selling Expenses</td> <td style="text-align: center;">30</td> <td style="text-align: center;">40</td> </tr> <tr> <td>To Net Profit</td> <td style="text-align: center;">150</td> <td style="text-align: center;">190</td> </tr> <tr> <td></td> <td style="text-align: center;">800</td> <td style="text-align: center;">1,000</td> <td></td> <td style="text-align: center;">800</td> <td style="text-align: center;">1,000</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Balance Sheet</b> As on 31<sup>st</sup> December (' In Lakhs)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Liabilities</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> <th style="text-align: left;">Assets</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td>Bills Payable</td> <td style="text-align: center;">50</td> <td style="text-align: center;">75</td> <td>Cash</td> <td style="text-align: center;">100</td> <td style="text-align: center;">140</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: center;">150</td> <td style="text-align: center;">200</td> <td>Debtors</td> <td style="text-align: center;">200</td> <td style="text-align: center;">300</td> </tr> <tr> <td>Tax Payable</td> <td style="text-align: center;">100</td> <td style="text-align: center;">150</td> <td>Stock</td> <td style="text-align: center;">200</td> <td style="text-align: center;">300</td> </tr> <tr> <td>6% Debentures</td> <td style="text-align: center;">100</td> <td style="text-align: center;">150</td> <td>Land</td> <td style="text-align: center;">100</td> <td style="text-align: center;">100</td> </tr> <tr> <td>6% Preference Capital</td> <td style="text-align: center;">300</td> <td style="text-align: center;">300</td> <td>Building</td> <td style="text-align: center;">300</td> <td style="text-align: center;">270</td> </tr> <tr> <td>Equity Capital</td> <td style="text-align: center;">400</td> <td style="text-align: center;">400</td> <td>Plant</td> <td style="text-align: center;">300</td> <td style="text-align: center;">270</td> </tr> <tr> <td>Reserve</td> <td style="text-align: center;">200</td> <td style="text-align: center;">245</td> <td>Furniture</td> <td style="text-align: center;">100</td> <td style="text-align: center;">140</td> </tr> <tr> <td></td> <td style="text-align: center;">1,300</td> <td style="text-align: center;">1,520</td> <td></td> <td style="text-align: center;">1,300</td> <td style="text-align: center;">1,520</td> </tr> </tbody> </table>		2015	2016		2015	2016	To Cost of Goods Sold	600	750	By Net Sales	800	1,000	Administration Expenses	20	20	Selling Expenses	30	40	To Net Profit	150	190		800	1,000		800	1,000	Liabilities	2015	2016	Assets	2015	2016	Bills Payable	50	75	Cash	100	140	Sundry Creditors	150	200	Debtors	200	300	Tax Payable	100	150	Stock	200	300	6% Debentures	100	150	Land	100	100	6% Preference Capital	300	300	Building	300	270	Equity Capital	400	400	Plant	300	270	Reserve	200	245	Furniture	100	140		1,300	1,520		1,300	1,520	10	5
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b.	<p>What are financial statements? Discuss the meaning and significance of each of these statements. Also state their limitations.</p>	10	5																																																																																	