

**2018**  
**MBA**  
**MBA : 1.4**  
**FINANCIAL ACCOUNTING**  
Full Marks : 70  
Time :3 hours

*The figures in the margin indicates full marks for the questions*

A. Write short notes on any five from the following : 5X2=10

- (i) GAAP
- (ii) Depreciation
- (iii) Revenue
- (iv) Expense
- (v) Ledger
- (vi) Cash book
- (vii) Trial Balance

B. Answer any five from the following: 4X5=20

- (i) Write a short note on generally accepted accounting principles.
- (ii) What are the limitations of ratio analysis.
- (iii) Write a short note on accounting standards.
- (iv) Write a short note on bin card .
- (v) Write a short note on liquidity ratios.
- (vi) State the purpose of ratio analysis.

C. Answer any five from the following: 5 X 8=40

- (i) Discuss any two accounting concept from the following 4+4=8
  - (a) Business Entity
  - (b) Matching concept
  - (c) Going Concern Concept

- (ii)
- (a) Briefly describe written down value method of providing depreciation. 4
- (b) M/s X Enterprises acquired a machine for Rs. 40,000 on July 01, 2011 and spent Rs. 5,000 on its transport and installation. Another machine for Rs. 35,000 was purchased on January 01, 2013. Calculate depreciation from 2011 to 2014 using straight line method. 4
- (iii) Draw a proforma profit and loss account in vertical format with all relevant items as per Schedule VI Part I of Companies Act, 1956.
- (iv) Prepare a trading and profit and loss account from the following details:

Additional Information:

- (i) Closing stock Rs 72,000
- (ii) Depreciation on plant and machinery @ 10% p.a.
- (iii) Salary outstanding Rs 400
- (iv) Wages outstanding Rs 200
- (v) Insurance prepaid Rs 250
- (v) Discuss profitability ratios.
- (vi) Discuss Fund Flow Statement.

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All figures in Rs crores .

Opening stock .....	80,000
Rent .....	4,000
Plant and Machinery .....	2,40,000
Land and Building.....	5,10,000
Power .....	7,000
Purchases .....	1.50,000
Sales return .....	5.000
Wages.....	9,000
Salary.....	5,000
Insurance.....	6,400
Debtors.....	1,50,000
Investment.....	1,30,000
Bad debts.....	4,000
Drawings.....	40,040
Capital .....	Rs,4,40,000
Creditors.....	1,00,000
Bills payable.....	1,00,000
Loan.....	2,20,000
Sales.....	4,00,000
General reserves.....	1,00,000