

Register Number:

Name of the Candidate:

**M.B.A (GLOBAL) DEGREE EXAMINATION, 2011****(FIRST YEAR)****(PAPER-II)****140. FINANCIAL ACCOUNTING**

Dec.)

**(Time: 3 Hours****Maximum: 75 Marks****SECTION-A****(5×3=15)****Answer any FIVE questions  
All questions carry equal marks**

1. What is Mercantile system of accountancy?
2. What is trial Balance?
3. Distinguish between fixed assets and current assets.
4. What is Bank Reconciliation statement?
5. What is gross profit?
6. What is Branch Adjustment Account? What is its purpose?
7. Prepare Trial Balance for the following:

	Rs.		Rs.
Capital	9,000	Rent outstanding	1,000
Plant and machinery	12,000	Opening stock	2,000
Purchases	8,000	Sales return	4,000
Sales	12,000	Investment	14,000
S. Creditors	8,000	Debtors	12,000
Bank loan	22,000		

8. Prepare bank reconciliation statement as 31.12.1993 from the following details.

Particulars	Rs.
Balance as per cash book	7,225
Cheque deposited in to bank but not collected	675
Cheque issued but not presented for payment	879
Bank charges debited in the pass book	20
Interest credited in the pass book	15

**SECTION-B**

(3×10=30)

Answer any **THREE** questions  
All questions carry equal marks

9. From the following balance as at 31<sup>st</sup> December 1994 of a trader, prepare trading and profit and loss A/C for the year 1994 and a Balance sheet as on that date.

	Rs.		Rs.
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000
Trade Expenses	600		
Purchases	25,000		
Advances	2,500		
Bank Balance	5,600		
	81,500		81,500

**Adjustments:**

1. Closing stock amounted to Rs. 9,000
  2. One months salary is outstanding
  3. One months rent has been paid in advance.
  4. Provide 5% for doubtful debts.
10. Following are the ledger balance of Sri. Rao. You are asked to prepare trail balance as on 31. 12. 2005

Particulars	Rs.	Particulars	Rs.
Opening stock	10,000	Capital	60,000
Salaries	5,000	Creditors	10,000
Bills payable	5,000	Loan form Krishna	25,000
Cash in hand	12,000	Discount allowed	700
Bank overdraft	4,000	Accrued interest payable	5,000
Debtors	15,000	Purchases	30,000
Cash at Bank	18,000	Reserve for bad debts	1,200
Sales	80,000	Trade expenses	500
Wages	1,000	Outstanding salaries	2,000
Prepaid insurance	2,500	Plant and machineries	90,000
Depreciation on plant	8,000	Outstanding interest on overdraft	500

11. Differentiate Trial Balance form Balance Sheet.
12. List out the causes for the difference between the Balance shown by cash book ad pass book.
13. "Accounting ratios are mere guides and complete reliance on them in decision making is suicidal". Elucidate.

**SECTION-C**

(2×15=30)

Answer any TWO questions

14. From the following Balance sheet as on 31<sup>st</sup> December. You are required to prepare a cash flow statement.

	2010	2011		2010	2011
	Rs	Rs		Rs	Rs
Share Capital	1,00,000	1,50,000	Fixed Assets	1,00,000	1,50,000
Profit & loss A/C	50,000	80,000	Good will	50,000	40,000
General Reserve	30,000	40,000	Inventories	50,000	80,000
16% bonds	50,000	60,000	Debtors	50,000	20,000
Sundry Creditors	30,000	40,000	Bills receivable	10,000	20,000
Expenses out standing	10,000	15,000	Bank	10,000	15,000
	2,70,000	3,85,000		2,70,000	3,85,000

15. Enumerate various classification of Ratios

16. The following is the Balance sheet of a company as on 31<sup>st</sup> March

Liabilities	Rs.	Assets	Rs.
Share Capital	2,00,000	Land & buildings	1,40,000
Profit & Loss account	30,000	Plant & Machinery	3,50,000
General Reserve	40,000	Stock	2,00,000
12% Debentures	4,20,000	Sundry Debtors	1,00,000
Sundry Creditors	1,00,000	Bills receivable	10,000
Bills payable	50,000	Cash at Bank	40,000
	8,40,000		8,40,000

Calculate:

1. Current Ratio
2. Quick Ratio
3. Inventory Working Capital
4. Debt Equity Ratio
5. Proprietary Ratio
6. Capital Gearing Ratio
7. Current Assets to Fixed Assets

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