

<b>Global Academy of Technology</b>			
<b>Master of Business Administration</b>			
<b>Course</b>	<b>Financial Accounting</b>	<b>Course Code</b>	<b>20MBAC13</b>
<b>Time: 3 hr.</b>	<b>Note:</b> 1. Answer any 4 full questions from Q. No. 1 to 7. 2. Q. No. 8 is compulsory		<b>Max. Marks:</b> <b>100</b>

1	a	Distinguish between Trade discount and Cash discount?	5											
	b	Explain accounting conventions.	5											
	c	Explain the users of accounting statement.	10											
2.	a	Mention three types of Personal accounts with examples.	5											
	b	What is Journal? How it is different from Ledger?	5											
	c	Show the accounting equation on the basis of the following transactions: 1. Commenced business with cash of Rs.80,000 2. Purchased goods on credit for Rs.20,000 3. Purchased furniture on cash for Rs.20,000 4. Depreciation on furniture Rs.500 5. Paid salary of Rs.200 6. Sold goods on credit for Rs.5,000	10											
3.	a	Explain accounting concepts	5											
	b	A manufacturing concern whose books are closed on 31 <sup>st</sup> March every year. Purchased a machinery for Rs.40,000 on 1/1/2016. Additional machinery was purchased for Rs.20,000 on 1/7/2017 and for Rs.10,000 on 1/4/2018. Write off the Machinery a/c and depreciation a/c for 3 years at 10% p.a. under WDV.	5											
	c	Prepare three column cash book from the following transactions: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">1<sup>st</sup></td> <td>Cash in Hand Rs.10,000, Cash at Bank Rs.5,000</td> </tr> <tr> <td style="text-align: center;">2<sup>nd</sup></td> <td>Purchased goods Rs.1,500 and paid in cash</td> </tr> <tr> <td style="text-align: center;">6<sup>th</sup></td> <td>Sold goods for cash Rs.2,000</td> </tr> <tr> <td style="text-align: center;">10<sup>th</sup></td> <td>Received cheque from Sunil for Rs.22,000 &amp; discount allowed to him Rs.50</td> </tr> <tr> <td style="text-align: center;">12<sup>th</sup></td> <td>Paid to Ramesh Rs.1,500 and discount allowed by him Rs.50</td> </tr> <tr> <td style="text-align: center;">18<sup>th</sup></td> <td>Purchased Machinery by cheque Rs.8,000</td> </tr> </table>	1 <sup>st</sup>	Cash in Hand Rs.10,000, Cash at Bank Rs.5,000	2 <sup>nd</sup>	Purchased goods Rs.1,500 and paid in cash	6 <sup>th</sup>	Sold goods for cash Rs.2,000	10 <sup>th</sup>	Received cheque from Sunil for Rs.22,000 & discount allowed to him Rs.50	12 <sup>th</sup>	Paid to Ramesh Rs.1,500 and discount allowed by him Rs.50	18 <sup>th</sup>	Purchased Machinery by cheque Rs.8,000
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		20 <sup>th</sup>	Draw money for office use Rs.1,000																							
		27 <sup>th</sup>	Insurance premium paid by cheque Rs.500																							
		31 <sup>st</sup>	Rent paid Rs.1,000 in cash																							
4	a	What do you mean by Sustainability Reporting?					5																			
	b	Write a short note on IFRS.					5																			
	c	Prepare Trading and Profit & Loss account from the followings for the year ended 31.03.2019					10																			
		Capital	20,000	Wages	10,000																					
		Creditors	2,400	Bank	2,000																					
		Return outward	1,000	Repairs	100																					
		Sales	32,800	Stock	4,000																					
		B/P	1,000	Rent	800																					
		Plant & Machinery	8,000	Manufacturing Exp	1,600																					
		Debtors	4,800	Trade Exp	1,400																					
	Drawings	2,000	Bad Debts	400																						
	Purchases	21,000	Carriage	300																						
	Return Inward	600	Oil and Fuel	200																						
5	a	What is Forensic Accounting?					5																			
	b	What is Human Resource Accounting? Briefly explain the methods HRA.					5																			
	c	<p>Assume that a firm's owner's equity is Rs.1 crore and the ratios of the firm are:</p> <ul style="list-style-type: none"> <li>➤ Short term debt to total debt = 0.40</li> <li>➤ Total debt to owners' equity = 0.60</li> <li>➤ Fixed asset to owners' equity = 0.60</li> <li>➤ Total asset turnover = 2 times</li> <li>➤ Inventory turnover = 8 times</li> </ul> <p>From the above information complete the following Balance Sheet</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Liabilities</th> <th style="text-align: center;">Rs.</th> <th style="text-align: center;">Assets</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Owners' Equity</td> <td style="text-align: center;">--</td> <td>Fixed assets</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Long term Debt</td> <td style="text-align: center;">--</td> <td>Inventory</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Short term debt</td> <td style="text-align: center;">--</td> <td>Cash</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">--</td> <td>Total</td> <td style="text-align: center;">--</td> </tr> </tbody> </table>				Liabilities	Rs.	Assets	Rs.	Owners' Equity	--	Fixed assets	--	Long term Debt	--	Inventory	--	Short term debt	--	Cash	--	Total	--	Total	--	
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6	a	What is Contra entry? Give example					5																			
	b	A firm purchased a plant on 1.07.2015 for Rs.90,000 and incurred					5																			

		Rs.10,000 on its erection. On 30.6.2018 a part of plant purchase on 1.7.2015 for Rs.50,000 sold for Rs.30,000. Depreciation is written off at 10% p.a. The business firm closes its books on 31 <sup>st</sup> March every year. Prepare Plant account under SLM.																			
	c	<p><b>Journalize the following transactions in the books of Mr. Ramesh for the month of October 2019</b></p> <p>1/10/2019 Commenced business with cash Rs.5,00,000  2/10/2019 Purchased furniture for office use Rs.1,00,000  10/10/2019 Purchased goods for cash Rs.1,00,000  12/10/2019 Sold goods to Abhishek for cash Rs.60,000  20/10/2019 Purchased machinery worth Rs.50,000 and issued a cheque for the same.  25/10/2019 Withdrawn from bank for office use Rs.20,000  27/10/2019 Paid rent by cheque Rs.10,000  30/10/2019 Paid salary by cash Rs.1,00,000</p>	10																		
7	a	Write a short note on IAS	5																		
	b	<p>From the following information, prepare a Trading account for the year ending 31.03.2020</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Stock on 1.4.18</td> <td>20,000</td> </tr> <tr> <td>Purchases</td> <td>65,000</td> </tr> <tr> <td>Return outward</td> <td>5,000</td> </tr> <tr> <td>Sales</td> <td>1,00,000</td> </tr> <tr> <td>Return Inward</td> <td>10,000</td> </tr> <tr> <td>Stock 31.3.19</td> <td>15,000</td> </tr> <tr> <td>Carriage Inward</td> <td>6,000</td> </tr> <tr> <td>Duty &amp; Clearing Charges</td> <td>4,000</td> </tr> </table>	Stock on 1.4.18	20,000	Purchases	65,000	Return outward	5,000	Sales	1,00,000	Return Inward	10,000	Stock 31.3.19	15,000	Carriage Inward	6,000	Duty & Clearing Charges	4,000	5		
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c	<p><b>From the following information, calculate:</b></p> <p>i) Capital turnover ratio, ii) Fixed Assets turnover ratio, iii) Working Capital turnover ratio, iv) Total Assets turnover Ratio  Sales=5,25,000, Total Assets = 2,62,500, Working capital= 75,000, Capital Employed= 1,75,000, Fixed Assets= 1,05,000</p>	10																			
8.		<p>From the following balances, prepare Trading and Profit &amp; Loss Account and Balance Sheet as on 31/03/2019</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>--</td> <td>20,000</td> </tr> <tr> <td>Building</td> <td>15,000</td> <td></td> </tr> <tr> <td>Investments</td> <td>10,000</td> <td></td> </tr> <tr> <td>Furniture</td> <td>1,000</td> <td></td> </tr> <tr> <td>Car</td> <td>8,000</td> <td></td> </tr> </tbody> </table>	Particulars	Debit	Credit	Capital	--	20,000	Building	15,000		Investments	10,000		Furniture	1,000		Car	8,000		
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		Purchases/Sales	94,000	1,40,000		20	
		Returns	500	1,000			
		Debtors/Creditors	15,000	4,800			
		General Expenses	800				
		Cash	300				
		Bank	4,700				
		Rent	4,000				
		Commission	1,400				
		Rate & Tax	600				
		Bad debts	200				
		Insurance	400				
		Discounts	700	500			
		Provision for doubtful debts	--	300			
		Opening stock	10,000				
		<b>Total</b>	<b>1,66,600</b>	<b>1,66,600</b>			
	Adjustments:						
	<ol style="list-style-type: none"> <li>1. Outstanding Commission Rs.100 &amp; Rent Rs.400</li> <li>2. Insurance prepaid Rs.50</li> <li>3. Create provision for doubtful debts @ 3% in debtors.</li> <li>4. Stock on 31/03/17 Rs.15,000.</li> <li>5. Interest on investment @ 5% due but not received.</li> <li>6. Depreciate Car by 10%, Furniture by 2%, and Building by 3%.</li> <li>7. Provide interest on capital @ 5%.</li> </ol>						