

R19

Code No: 761AC

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA I Semester Examinations, February/March - 2024

FINANCIAL ACCOUNTING AND ANALYSIS

Time: 3 Hours

Max.Marks:75

- Note:** i) Question paper consists of Part A, Part B.
ii) Part A is compulsory, which carries 25 marks. In Part A, Answer all questions.
iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

PART - A

(25 Marks)

- 1.a) Difference between Book Keeping and Accounting. [5]
b) What is meant Journalising? [5]
c) From the following information you are required to calculate total purchases.
- | | Rs. | |
|--|------------|-----|
| Opening balance of Bills Payable | 5,000 | |
| Opening balance of Creditors | 6,000 | |
| Closing balance of Bills Payable | 7,000 | |
| Closing balance of Creditors | 4,000 | |
| Cash paid to Creditors during the year | 30,200 | |
| Bills payable discharged during the year | 8,900 | |
| Return Outwards | 1,200 | |
| Cash Purchases | 25,800 | [5] |
- d) Distinction between cash profits and book profits. [5]
e) XYZ Ltd., has 1,25,000 Equity Shares of Rs. 10 each and 50,000 Preference Shares of Rs. 10 each @ 11 %. The profit after tax Rs. 3,45,000, depreciation is Rs. 88,000. The market price per share (equity) is Rs. 63 and the Equity Dividend paid is 18 %. You are required to find :
(i) Dividend Yield on Equity Share
(ii) EPS
(iii) Price-Earning Ratio. [5]

PART - B

(50 Marks)

2. What is meant by generally accepted Accounting Principles and describe the accounting cycle with suitable example. [10]
OR
3. Explain Accounting Concepts and Conventions and discuss the importance of double entry system. [10]

(Contd...)

4. The following balances were extracted from the books of Shri R. Lal on March 31st, 2017

Particulars	Amount Rs.	Particulars	Amount Rs.
Capital	1,00,000	Sales	3,54,000
Plant and Machinery	1,60,000	Returns	1,500
Purchases	1,20,000	Discount	1,600
Returns	2,000	Creditors	50,000
Opening Stock (1-4-2012)	60,000	Bad Debts Provision	1,050
Discount	700		
Bank Charges	150		
Sundry Debtors	90,000		
Salaries	13,600		
Manufacturing Wages	20,000		
Carriage Inwards	1,500		
Carriage Outwards	2,400		
Rent, Rates and Taxes	20,000		
Advertisements 4,000	4,000		
Cash in hand 1,800	1800		
Cash at bank 12,000	12,000		
Total	5,08,150		5,08,150

You are asked to prepare the final accounts for the year ended 31st March 2013 and the Balance Sheet as on that date. The following adjustments are required :

- Closing Stock Rs. 70,000.
- Depreciation of Plant at 12 %.
- Bad Debts Provision to be adjusted to Rs. 1,000.
- Interest on capital to be allowed at 10 % per annum.
- 5 % of the profit is to be carried to Reserve Fund.

[10]

OR

5. On 1st January 2013, Ram Murthy commenced business with a capital of Rs. 30,000 represented by cash in hand 500; cash at bank Rs. 5,200; furniture and fitting Rs.3,000; Plant and Machinery Rs. 21,300.

His transactions for the month of January 2013 were as follows :

- 2013 Jan 2 Purchased goods from Rajgopalan 5,000
- 2013 Jan 3 Sold goods to Vishwanandam 4,500
- 2013 Jan 4 Bought stationary for cash 150
- 2013 Jan 5 Received cash from Vishwanandam 4,400 Allowed discount 100
- 2013 Jan 7 Paid Rajgopalan by cheque 4,900 Discount allowed by him 100
- 2013 Jan 9 Deposited in bank 3,000
- 2013 Jan 13 Purchased goods from Chinoy 4,850
- 2013 Jan 16 Sold goods to Mallikarjuna Rao 6,000
- 2013 Jan 20 Received Rs. 5,850 from Mallikarjuna Rao in Settlement of the debt due from him.
- 2013 Jan 22 Cash sales 8,000
- 2013 Jan 24 Paid Rs. 4,800 to Chinoy in settlement of the Debt due to him.
- 2013 Jan 27 Purchased from Godrej Ltd., office desk on credit 1,600
- 2013 Jan 29 Took loan from Kishore Karwankar 10,000
- 2013 Jan 30 Paid salaries in cash 2,000
- 2013 Jan 31 Paid rent to landlord by cheque 1,200

Journalize these transactions and prepare Cash Account, Capital Account, Bank Account, Vishwanandam Account Mallikarjuna Rao ledger accounts. [10]

6. Verma commenced business on January 1, 2005 with a capital of Rs. 30,000. He immediately purchased Machinery for Rs. 20,000. On 30th June 2005 he borrowed Rs. 10,000 from his wife @ 10 % p.a. (interest not yet paid), and introduced further capital of Rs. 15,000. During the year he withdrew Rs. 800 p.m. for domestic use. On 31st December 2005 his position was as follows :

Cash in hand Rs. 600; Cash at bank Rs. 8,000; Sundry Debtors Rs. 16,000; Stock Rs.18,000; Bills Receivable Rs. 5,000; Sundry Creditors Rs. 2,000; Outstanding expenses Rs. 800. Machinery is to be depreciated by 10 %. Ascertain the Profit or Loss made by Verma during 2005. [10]

OR

7. Two components A and B are used as follows :
 Normal Usage : 50 units per week each; Minimum Usage : 25 units per week each;
 Maximum Usage : 75 units per week each.
 Re-Order Quantity : A : 300 units ; B : 500 units.
 Re-Order Period : A : 4 to 6 weeks ; B : 2 to 4 weeks. Calculate for each component :
 (a) Re-Order Level (b) Minimum Level (c) Maximum Stock Level (d) Average Stock Level. [3+2+3+2]

- 8.a) From the following income statements of Ajit Ltd., prepare Common Size Statement for the years ended December 31st.

	2009	2008
Revenue from Sales	95,000	1,00,000
Cost of Goods Sold	65,000	60,800
Gross Profit	35,000	34,200
Operating Expenses		
General Expenses	16,000	15,200
Selling Expenses	14,000	11,400
Total Operating Expenses	30,000	26,600
Operating Income before Tax	5,000	7,600
Tax related to operations	1,500	2,280
Net Income	3,500	5,320

- b) Brief on paid cost and unpaid costs. [6+4]

OR

9. The summarized Balance Sheet of Kunal Ltd., as on 31-12-2015 and 31-12-2016 are as follows :

Liabilities	2015	2016	Assets	2015	2016
Share Capital	4,50,000	4,50,000	Fixed assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P & L Account	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Tax Provision	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage Loan	-----	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Details :

- Investments costing Rs. 8,000 was sold for Rs. 8,500.
- Tax provision made during the year was Rs. 9,000.
- During the year part of the fixed assets costing Rs. 10,000 was sold for Rs. 12,000 and the profit was included in Profit and Loss Account.

You are required to prepare a Cash Flow Statement for 2016.

[10]

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10. From the following particulars prepare the Balance Sheet :

Sales / Total Assets = 3

Sales / Fixed Assets = 5

Sales / Current Assets : 7.5

Sales / Inventories = 20

Sales / Debtors = 15

Current Ratio : 2

Total Assets / Net Worth : 2.5

Debt / Equity : 1

Sales : Rs. 36,00,000.

[10]

OR

11. Define IFRS vs. GAAP? Standard IFRS Requirements? Give 5 IFRS as examples?

[10]

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QA QA QA QA QA QA QA G

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QA QA QA QA QA QA QA G

QA QA QA QA QA QA QA G