

R19

Code No: 761AC

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA I Semester Examinations, February/March - 2025

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) Illustrate the Accounting Cycle with an example. [5]
b) Describe the Diminishing balance method with an illustration. [5]
c) Examine the need for valuation of Goodwill. [5]
d) Brief on the distinction between Cash Profits and Book Profits. [5]
e) Discuss the different Liquidity Ratios with suitable examples. [5]

PART – B

(50 Marks)

2. Define Accounting. Explain about the various Accounting Concepts and Conventions with suitable examples. [10]

OR

- 3.a) What is double entry system? Write its principles and advantages.
b) Brief on classification of accounts. [5+5]

- 4.a) What are the different types of accounting errors of a trader's books?
b) How do you classify capital and revenue expenses? [5+5]

OR

5. Nagesh purchased a machine for Rs.1,00,000 on 1st April, 2014. He purchased a second machine on 1st January, 2015 for 50,000. On 31st December, 2016 the second machine was sold for 40,000. He closes his books on 31st December every year and charges depreciation at 10% on written down value method. Show Machinery Account for 3 years. [10]

- 6.a) Explain the different methods of valuation of goodwill.
b) How do you ascertain profit from incomplete records. [5+5]

OR

7. Mahesh has not maintained proper books of account. He furnishes the following information before you. Prepare his Statement of Affairs for the year ending 31st March 2021.

	01.01.2021	31.12.2021
	Rs.	Rs.
Cash in hand	5,350	5,400
Bank overdraft	45,000	40,000
Stock	59,350	62,200
Sundry Creditors	38,600	37,200
Sundry Debtors	30,200	29,800
Bills Receivables	42,400	40,800
Land and Buildings	53,000	53,000
Furniture	4,600	4,600
Bills payable	62,000	58,000

Drawings during the year Rs.6400. Depreciation on Land and Buildings at 4% and on Furniture at 5%. Reserve for doubtful debts at 5%. [10]

- 8.a) Define the term "Cash flow". Explain the objects of Cash flow statement.
 b) Describe the paid cost and unpaid costs. [6+4]

OR

9. The following is the balance sheet of a limited company on 31st December 2020 and 2021

Liabilities	2020	2021	Assets	2020	2021
	Rs.	Rs.		Rs.	Rs.
Share capital	70,000	74,000	Bank	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Creditors	10,360	11,840	Stock	49,200	42,700
Provision for Doubtful debts	700	800	Land	20,000	30,000
Profit and loss a/c	10,040	10,560	Goodwill	10,000	5,000
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	1,03,100	1,03,200		1,03,100	1,03,200
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Additional information:

- a) Land was purchased for 10,000
 b) Dividend paid Rs.3,500 during the year 2021
 c) Debentures 6,000 were redeemed during the year
 Prepare cash flow statement. [10]

- 10.a) What are the objectives of financial statements?
 b) Describe the International Financial Reporting Standards. [5+5]

OR

- 11.a) Calculate and interpret the due point analysis for a company with the following data:
 Net profit : ₹ 3,00,000; Sales : ₹ 13,00,000
 Total Assets : ₹ 10,00,000; Equity : ₹ 6,00,000
 b) Examine the solvency position of a company by using the following data:

Total Debt : ₹20,00,000; Equity : ₹15,00,000
 Interest on Debt : ₹2,00,000; EBIT : ₹ 6,00,000.

[5+5]