



AJEENKYA

D Y PATIL UNIVERSITY

End Term Examinations (December 2018)

School: School of Management

Program: MBA -MAC/BIS/SM

Course: Financial Accounting

Course Code: COM501

Semester: First

Max Marks: 100

Duration: 3 hours

Group -A
(10*2=20 Marks)
Answer all questions

1. Why is accounting information important for business?
2. How accounting differs from book keeping?
3. What do you understand by double entry book keeping system?
4. Write any three utilities of trial balance.
5. What do you mean by posting and balancing in ledger?
6. What is convention of consistency?
7. What is deferred revenue expenditure?
8. How cash flow statement differs from funds flow statement?
9. What are the profitability ratios and write their formulas?
10. State limitation of cash flow statement.

Group -B
(3*16=48 Marks)
Answer any Three questions

1. Explain the various accounting concepts with suitable examples.
2. From the following Trail Balance of Mr. A, prepare final accounts for the year 31-12-2005

Debit Balance	Rs.	Credit Balance	Rs.
Land and Building	50,000	Returns	2,500
Purchases	1,10,000	Discounts	1,200
Stock	40,000	Sales	2,05,000
Returns	1,500	Capital	1,15,000
Wages	10,000	Loan	15,000
Salaries	9,000	Commission	1,500



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Office expenses	2,400	Creditors	25,000
Carriage	3,200	Bills Payable	2,350
Discounts	750		
Bad debts	1,200		
Insurance	1,500		
Machinery	50,000		
Furniture	10,000		
Debtors	40,000		
Cash	26,000		
Office equipment	12,000		
	3,67,550		3,67,550

Adjustments:

1. Closing stock- Rs. 60,000.
 2. Outstanding wages – Rs.2, 000 and Rent Rs.3, 000.
 3. Deprivation Land & Building at 5%, Machinery at 10%, office equipment and Furniture by 10%.
 4. Provide reserve at 2.5% on debtors.
 5. Insurance prepaid Rs.200.
 6. Calculate interest on capital at 5%.
3. Babu & Co. presents the following Financial Statements for 1988 and 1989.
Prepare a sources and application of funds statements.

Liabilities	1988 Rs.	1989 Rs.	Assets	1988 Rs.	1989 Rs.
Bills Payable	4,52,000	6,28,000	Cash	1,06,000	62,000
Creditors	8,26,000	12,54,000	Investment	1,74,000	-
Loan from bank	2,00,000	4,70,000	Debtors	6,92,000	10,56,000
Reserves & Surplus	13,84,000	17,28,000	Stock	8,64,000	13,66,000
Share capital	12,00,000	12,00,000	Net fixed assets	22,26,000	27,96,000
	40,62,000	52,80,000		40,62,000	52,80,000

Depreciation of Rs. 3, 78,000 was written off for the year 1989 on fixed assets.



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4. The Balance Sheet of Punjab Auto Limited as on 31-12-2002 was as follows:

Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation:		Investments (Short-term)	4,000
Current	4,000	Cash in hand	12,000
Future	4,000		
Profit and Loss A/c	12,000		
Total	120,000		120,000

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

Group –C (32 Marks) (Compulsory)

1. Ms Sabitri started a Business on 1-1-2014 with Rs. 1,60,000. The following are their transactions during January 2014. (32 Marks)

2014	Particular	Amount
2	Bought goods for cash	80,000
4	Purchased goods from Arun	32,000
7	Goods sold for cash	64,000
8	Sold goods to Rajesh	32,000
10	Machinery Purchased for cash	24,000
12	Purchase of Land	8,000
20	Paid freight	8,000
25	Settled Arun's A/C with	31,200
26	Insurance paid	4,800
29	Rajesh settled his account with	30,800
30	Salaries Paid	4,000
	Sale of land	4,000

Journalise the above transactions, post them to ledger of Ms Sabitri and also prepare Trail balance.