

FACULTY OF MANAGEMENT**M.B.A. I – Semester (Backlog) Examination, June 2017****Subject : Financial Accounting and Analysis****Course No. : 1.3****Time : 3 hours****Max. Marks : 80****Note : Answer all the questions.****Part – A (10 X 2 = 20 Marks)****(Short Answer Type)**

- 1 Write short notes on each of the following at one place :
- Accounting concept
 - Suspense Account
 - Business income
 - Goodwill
 - Liquidity ratios
 - Cost of goods sold
 - Funds from business operation
 - Working capital
 - GAAP
 - Balanced Score Card

Part – B (5 X12 = 60 Marks)**(Essay Answer Type)**

- 2 a) Explain accounting as a business information system.
- OR**
- b) Anil had the following transactions. Use accounting equation to show their effect on his assets, liabilities and capital.

	Rs.
1. Started business with cash	5,000
2. Purchased goods on credit	400
3. Purchased goods for cash	100
4. Purchased furniture	50
5. Withdraw for personal use	70
6. Paid Rent	20
7. Received interest	10
8. Sold goods costing Rs.50 on credit for	70
9. Paid to creditors	40
10. Paid for salaries	20
11. Further capital invested	1,000
12. Borrow from P	1,000

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- 3 a) Explain the presentation of Financial Statements.

OR

- b) On 1st January, 1988, a merchant purchased some furniture costing Rs.55,000. It is estimated that its working life is 10 years at the end of which it will fetch Rs.5,000. Additions are made on 1st January, 1989 and 1st July, 1991 to the value of Rs.9,500 and Rs.8,400 (residual values Rs.500 and value of Rs.400 respectively). Show the furniture account for the first four years, if is straight line method of depreciation.

- 4 a) Explain the classification of ratios.

OR

- b) X co. has made plans for the next year. It is estimated that the company will employ total assets of Rs.8,00,000; 50% of the assets being financed by barrowed capital at an interest cost of 8% per year. The direct costs for the year are estimated at Rs.4,80,000 and all other operating expenses are estimated at Rs.80,000. The goods will be sold to customers at 150% of the direct costs. Tax is 50%.

Calculate :

- 1 Net profit margin
- 2 RoA
- 3 Assets turnover
- 4 Return on owner's equity

- 5 a) Explain the preparation of statement of changes in working capital.

OR

- b) Company XYZ has its brief cash account statement available for the investors. Looking at the cash account. Prepare cash flow statement.

Cash account of company XYZ for the year ended 31.03.2010

	Rs.		Rs.
Balance as on 01-4-2009	200	Payment for diesel	10,000
Issue of Debentures	8,000	Purchase of boiler	5,000
Collection from customers	12,000	Rent paid	1,900
Sale of Plant and Machinery	1,000	Salaries paid	2,000
		Taxation	300
		Dividend	700
		Redemption of bonds	1,000
		Balance as on 31-3-2009	300
	<u>21,200</u>		<u>21,200</u>

- 6 a) Explain the growing importance of global accounting environment.

OR

- b) Discuss the valuation of human resources in an organization.
