

Code No: E5104

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA – I Semester Examinations, February / March -2012

FINANCIAL ACCOUNTING AND ANALYSIS

Time: 3hours

Max. Marks: 60

**Answer any five questions
All questions carry equal marks**

1. Explain the following:
 - a) What is accounting, what is its objectives, scope and functions?
 - b) What are Accounting Conventions list and explain in brief?

2. Journalise following entries in the books Subramanian and Co for the month ending March 2009:

No.	Date	Description	Amount Rs.
1	2 – Dec - 09	Business started with Capital brought in cash	1000000
2	6 – Dec -09	Cash deposited in Andhra Bank	800000
3	12 – Dec – 09	Purchased goods from Mr. X on credit	1500000
4	15 – Dec – 09	Sold goods to Mr. Y. on credit	200000
5	20 – Dec – 09	Paid Office Salaries	2000000
6	21 – Dec – 09	Received Cash from Mr. Y	2000000
7	22 – Dec - 09	Paid to Mr. X and requested a discount of Rs.50000 and accepted	1450000
8	24 – Dec – 09	Paid Office Rent	100000
9	26 – Dec – 09	Paid Transport	5000
10	28 – Dec - 09	Drawn cash for office purpose	25000
11	30 – Dec – 09	Sold goods for cash	500000
12	31 – Dec – 09	Purchased goods for credit	1500000

3. Write briefly.
 - a) GAAP
 - b) ABC Analysis
 - c) Du – pont chart analysis
 - d) ROI

4. Explain the following:
A Prepare Stores Ledger A/c under LIFO for XYZ Ltd for the Month Endings:

SNo.	Date	Description	Qty. KGs	Rate Per KG
1	1 – March – 10	Received Stock	2000	65
2	3 – March – 10	Received Stock	8000	75
3	5 – March – 10	Issued stock to Job -09101	6000	
4	8 – March – 10	Received stock	10000	100
5	10 – March – 10	Issued stock to Job – 09101	5000	
6	31 – March -10	Issued stock to Job - 09101	3000	

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B Prepare Depreciation Account with the help of following information, if company had a policy of WDV 25% per annum, if a machine worked even one in month half of the depreciation will be charged during that year and above 6 months for full year. The Accounting Year of the company is 1st January to 31st December of every year:

MHVP Ltd purchased a second hand machine on 01-01-2009 for Rs1500000 and spent Rs.200000 on installation. On 01-06-2009 company purchased another machine or Rs. 1500000 & On the same day the first machine (i.e., Rs15.00 lakhs was sold or Rs.1000000. Prepare Depreciation and Machine Account.

5. Explain the following:
 - a) Prepare Model Journal Entries for Issue and Redemption of Debenture with Discount, Par and Premiums.
 - b) What is Forfeiture, prepare model entries for forfeiture of shares issued at par, premium and discount.

6. Prepare statement of sources and uses with the help of balance sheet of SVR Ltd.

Balance Sheet	2008	2009		2008	2009
Equities	Rs.	Rs.	Assets	Rs.	Rs.
Equity Capital	400000	400000	Land & Buildings	200000	200000
Accumulated Profits	200000	500000	Motor Vehicles	500000	800000
Debentures	600000	500000	Furniture & Fixtures	600000	400000
LT Loans	500000	600000	ST Investments	100000	100000
Creditors	100000	175000	Marketable Securities	400000	500000
Bills Payable	400000	300000	Debtors	700000	300000
ST Bank Loan	200000	500000	Bills Receivables	50000	300000
Income Tax Provision	150000	200000	Outstanding Interest	100000	500000
Outstanding Insurance	200000	400000	Prepaid Expenses	7000	200000
Outstanding Salaries	100000	400000	Inventory	180000	550000
Income received in advance	50000	25000	Cash & Bank	100000	150000
Total	3000000	4000000	Total	3000000	4000000

Additional Information:

Profit during the year is Rs. 3000000 (Accumulated Profits A/c)

Tax paid during the year is Rs.100000.

Depreciation during the period is only on Motor Vehicles is Rs.50000.

Accumulated depreciation on Vehicles is Rs. 100000.

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7. Explain the following:
a) Methods of Goodwill Valuation
b) What are Accounting Concepts list and explain any five?
8. The following is the Balance Sheet of MUL Ltd.

Particulars	2008	2009	Particulars	2008	2009
Equities	Rs.	Rs.	Assets	Rs.	Rs.
Equity Capital	500000	400000	Land & Buildings	200000	800000
Reserves & Surplus	200000	500000	Motor Vehicles	200000	300000
Debentures	200000	500000	Furniture & Fixtures	400000	700000
LT Loans	400000	600000	ST Investments	300000	500000
Creditors	100000	200000	Marketable Securities	200000	500000
Bills Payable	500000	800000	Debtors	1000000	500000
ST Bank Loan	500000	500000	Bills Receivables	250000	400000
Income Tax Provision	200000	200000	Out standings	200000	500000
Dividend Provision	400000	800000	Interest		
			Prepaid Expenses	250000	300000
Total	3000000	4500000	Total	3000000	4500000

You are requested to determine Liquidity Leverage & Probability Ratios and comment on financial position of the company if sales of the company is Rs. 5.00 Lakhs.
