

Code No: 13MBA1003**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)****I MBA I Semester Regular / Supplementary Examinations, December-2015****FINANCIAL ACCOUNTING AND ANALYSIS****Time: 3 Hours****Max. Marks: 60**

Answer any FIVE questions
All questions carry equal marks
Question No.8 is Compulsory.

1. Define Accounting? Explain the advantages of Accounting in detail [12M]
2. Mr. Khan is providing you the list of balances of his business on 31.3.2013. [12M]
Prepare the final accounts for him.

Trial balance as on 31.03.2013

Particulars	Debit (Rs.)	Credit (Rs.)
Capital	-----	50,000
Drawings	7500	-----
Purchases and sales	72,100	95,000
Returns	1300	2700
Debtors , Creditors	18,200	35,750
Stock(1-4-2012)	19,800	-----
Bad debts	3,000	----
Bills receivable	12,000	-----
Bills payable	-----	23,000
Cash in hand	800	-----
Office expenses	6210	-----
Sales van	15,000	-----
Expenses of sales van	1400	----
Discount	-----	2910
Rent, Taxes	10,700	----
Telephone expenses	1050	---
Postal charges	950	---
Furniture	5.000	---
Printing and stationery	2750	--
Commission	8400	---
Carriage inward	3200	---
Salaries and wages	20,000	---
Total	2,09,360	2,09,360

Adjustments:

1. Closing stock was valued at Rs. 61,700
2. Depreciate furniture by 10%, sales van by 20%
3. Rent outstanding Rs. 900
4. Bad debts Rs. 200
5. Provide 5% for bad and doubtful debts.

- 3 Prepare stores ledger A/C under FIFO method from the following particulars given below. [12M]

2013	Jan 1 st	Purchased 4,000 units@ Rs.4 per unit
	Jan 20th	Purchased 4,000 units@ Rs.5 per unit
	Feb 5th	Issued 2000 units
	Feb 10th	Purchased 6,000 units@ Rs.6 per unit
	Feb 12th	Issued 4000 units
	Mar 2 nd	Issued 1000 units
	Mar 5th	Issued 2000 units
	Mar 15th	Purchased 4,500 units@ Rs.5.50 per unit
	Mar 20th	Issued 3000 units

4. Explain the factors causing and determining the depreciation. [12M]

5. Luxury Cars Ltd issued 1,00,000 shares of Rs. 10 each at a Premium of Rs. 5 per share payable as: [12M]

On application Rs. 2 per share
 On Allotment Rs.10 (including Rs. 5 Premium) per share
 On first and final call Rs. 3 per share.

Applications were received for 1,00,000 shares and allotment was made. Pass necessary journal entries in the Books of Luxury Cars Ltd.

6. a) Explain the Types and methods of Accounting for Amalgamation? [6M]
 b) Distinguish between Amalgamation, Absorption and External reconstruction. [6M]

7. What is funds flow statement? Discuss the significance of funds flow statements as a tool of financial analysis. [12M]

8. a) Calculate Current Assets of a company from the following [6M]
 i. stock turnover: 5 times
 ii. stock at the end: Rs. 5,000 more than stock in the beginning
 iii. sales (all credit) Rs. 2,00,000
 iv. Gross profit ratio : 20%
 v. Current liabilities Rs. 60,000

- b) Current Ratio=2.5, Quick Ratio= 1.5, operating capital =Rs. 30,000. calculate stock value [3M]

- c) Calculate stock turnover ratio from the following data [3M]
 Opening stock= 27,000 Rs
 Closing stock= 23,000 Rs
 Purchases= 80,000 Rs
 Wages = 20,000 Rs