

**AR13****SET 01****Subject Code: 13MBA1003****ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)****I MBA I Semester Regular Examinations, February – 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. What are accounting concepts and conventions? Name them and explain any five accounting concepts in detail?
2. From the following Trial Balance of Shukla prepare trading and Profit and Loss a/c for the year end 31<sup>st</sup> March, 2012 and Balance Sheet as on that date.

Particulars	Debit Rs.	Credit Rs.
Buildings	20,000	
Capital a/c		60,000
Purchases and sales	10,000	30,000
Opening Stock (1-4-2011)	5,000	
Debtors and Creditors	12,000	6,000
Drawings a/c	4,000	
Sales Returns and Purchase Returns	2,000	500
Freight	2,500	
Office Salaries	8,000	
Wages	1,500	
Postage and Telegrams	1,000	
Machinery	15,000	
Bills Receivable, Bills Payable	8,000	2,000
Advertisement	2,000	
Cash in hand	3,500	
Loose Tools	4,000	
Total	98,500	98,500

**Adjustments:**

- a. Closing Stock was valued at Rs.6,000/-
  - b. Depreciation Buildings by 10% and Loose Tools are revalued at Rs.3,500
  - c. Interest on Capital at 10% and on Drawing at 5%.
3. How do you classify the accounts? Explain the rules of debit and credit with respect of different types of accounts.
  4. What is depreciation? Explain various methods of depreciation.
  5. Bombay Textiles Company invited applications for 20,000 equity shares of Rs.100/- each at a discount of Rs4/- per share (allowed at the time of allotment). The amount was payable as follows:

On application Rs.30/- Allotment Rs.36/-, First and Final call Rs.30/-

The public applied for 18,000 shares and these were allotted. All money due was collected with the exception of allotment and the First and Final call on 800 shares. Journalize the above transactions in the books of the company.

6. Explain the following:
  - a. Amalgamation
  - b. Absorption
  - c. Reconstruction
7. What is funds flow statement? Discuss the significance of funds flow statement as a tool of financial analysis.
8. **Compulsory:**  
**Calculate the following ratios from the financial statement of XYZ Company.**
  - i. Current Ratio
  - ii. Liquid Ratio
  - iii. Stock Turnover Ratio
  - iv. Debtors Turnover Ratio
  - v. Creditors turnover Ratio

Particulars	Amount in Rupees	Particulars	Amount in Rupees
Opening Stock	47,000	Debtors	42,000
Closing Stock	53,000	Cash	10,000
Sales	2,50,000	Bank	8,000
Provision for doubtful debts	2,000	Bills Receivable	15,000
Creditors	32,000	Provision for Tax	15,000
Loose Tools	4,000	Bills Payable	29,000
Purchases	1,80,000	Marketable securities	8,000