

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 stationary	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.

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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

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