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# SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR (AUTONOMOUS) MBA I Year I Semester (R16) Supplementary Examinations June 2017 FINANCIAL ACCOUNTING AND ANALYSIS

(For Students admitted in 2016 only)

Time: 3 hours

Q.P. Code: 16MB702

Max. Marks: 60

R16

### SECTION – A

(Answer all Five Units 5 x 10 = 50 Marks)

## UNIT-I

1	What are the various accounting concepts? Explain them.	10M
	OR	
2	What is Accounting? How do you classify accounts? State the rules of	
	'debit and credit' with examples.	10M

## UNIT-II

<sup>3</sup> What is meant by depreciation? Explain about the straight line method and 10M diminishing balance methods in detail.

#### OR

4Journalise the following transactions in the books of Raju<br/>Oct. 1: Raju started business with cash Rs. 1,00,000<br/>Oct. 3: He paid into the Bank Rs. 3,000<br/>Oct. 4: He purchased goods for cash Rs. 20,000<br/>Oct. 6: He sold goods for cash Rs. 8,000<br/>Oct. 8: He purchased furniture and paid by cheque Rs. 10,000<br/>Oct. 10: He sold goods to Ashok Rs. 5,000<br/>Oct. 13: He purchased goods from Amrit Rs. 10,000<br/>Oct. 18: He withdrew cash from business for personal use Rs. 1000<br/>Oct. 21: He paid telephone charges Rs. 800<br/>Oct. 30: Paid for rent Rs. 2000 and salary to staff Rs. 400010M

# UNIT-III

5	What is goodwill? Explain various methods of calculation of goodwill.	10 <b>M</b>
	OR	
6	Prepare a stores ledger statement from the following particulars of M/s. Meghamala Water Solutions limited by adopting "First In First Out" method"	
	<ul> <li>Sep 1: Opening Balance: 500 units @ Rs. 4.00</li> <li>Sep 4: Issue 200 units</li> <li>Sep 5: Purchases 200 units @ Rs. 4.25</li> <li>Sep 10: Issue 400 units</li> <li>Sep 12: Purchases 150 units @ Rs. 4.10</li> <li>Sep 15: Issue 100 units</li> <li>Sep 19: Issue 100 units</li> <li>Sep 20: purchases 300 units @ Rs. 4.50</li> <li>Sep 25: Purchases 400 units @ Rs. 4.00</li> </ul>	
	Sep 26: Issues 200 units	10M

# UNIT-IV

7 Differentiate between cash flow and funds flow statements.

## OR

10M

8

From the following information prepare statement of changes in working capital of Anshul Co. Ltd.

Capital and Liabilities	31-12-14	31-12-15	Assets	31-12-14	31-12-15	
Share Capital	3,00,000	3,75,000	Machinery	70,000	1,00,000	10M
Profit & Loss a/c.	14,000	70,000	Stock	1,21,000	1,36,000	
Trade Creditors	1,06,000	31,000	Debtors	1,81,000	1,70,000	
			Cash	48,000	70,000	

## UNIT-V

9 Describe in brief the major requirements of accounting standards related to valuation of inventories and depreciation accounting.

### OR

10 The following data has been taken from the balance sheet of Lakshmi Co. Ltd. and Dharma Co. Ltd. companies you are required to calculate Current ratio, Quick ratio and Absolute liquid ratio.

	Lakshmi	Dharma
Particulars	Co. Ltd	Co. Ltd.
	( <b>Rs.</b> )	( <b>Rs.</b> )
Cash	18,000	14,000
Debtors	1,42,000	3,20,000
Stock	1,80,000	5,40,000
Bills Payable	27,000	1,00,000
Creditors	15,000	12,500
Bank overdraft	90,000	1,12,500

10M

#### SECTION – B

(Compulsory Question)

### 11 Case study:

From the following details of M/s. Chandra Co. Ltd. Complete the balance sheet given below:

Sales	Rs. 4,00,000
Gross Profit	25%
Annual Credit Sales	80% of Sales
Current Ratio	2
Inventory Turnover	4
Fixed Assets Turnover	2
Average Collection Period	72 days
Cash to inventory	1:15
Bank overdraft to Trade Credit	2
Long term Debt to Current Liabilities	2

10M

#### **Balance Sheet of Chandra Co. Ltd**

Liabilities	Amount Rs.	Assets	Amount Rs.
Paid up Capital	1,28,000	Fixed Assets	?
Long Term Debt	?	Inventory	?
Trade Credit	?	Debtors	?
Bank Overdraft	?	Cash	?
Total	?	Total	?

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