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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)****MBA I Year I Semester (R16) Regular Examinations December 2016
FINANCIAL ACCOUNTING AND ANALYSIS**

(For Students admitted in 2016 only)

Time: 3 hours

Max. Marks: 60

SECTION – A

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

Q.1 Define Accounting. Explain main objectives and principles of accounting. 10M

OR

Q.2 What is meant by “Generally accepted accounting principles”. Discuss its implications on accounting system. 10M

UNIT-II

Q.3 What are the various types of subsidiary books? Explain the purpose of each of them. 10M

OR

Q.4 Charuseela firm purchases a plant for a sum of Rs. 1,00,000 on 1st January 2010. Installation charges are Rs. 20,000. Plant is estimated to have a scrap value of Rs. 10,000 at the end of its useful life of five years. You are required to prepare Plant Account for five years charging depreciation according to Straight line method. 10M

UNIT-III

Q.5 Define double entry system. What are the merits and de-merits of double entry system. 10M

OR

Q.6 Prepare a stores ledger statement from the following particulars of M/s. Chandra batteries limited by adopting “Last In First Out” method”

Jan 1: Opening Balance: 1000 units @ Rs. 8.00

Jan 5: Issue 400 units

Jan 7: Purchases 400 units @ Rs. 8.50

Jan 10: Issue 800 units

Jan 13: Purchases 300 units @ Rs. 8.20

Jan 15: Issue 200 units

Jan 18: purchases 600 units @ Rs. 8.50

Jan 21: Purchases 500 units @ Rs. 8.10

Jan 26: Issues 600 units 10M

UNIT-IV

Q.7 What is cash flow statement? Explain the significance of Cash flow statement. 10M

OR

- Q.8** From the following sheets for the year 2014 and 2015 find out funds from operations. 10M

Particulars	2014(Rs.)	2015(Rs.)
General Reserve	20,000	25,000
Goodwill	10,000	5,000
Provision for depreciation on plant	10,000	12,000
Preliminary expenses	6,000	4,000
Profit and loss appropriation account	30,000	40,000

UNIT-V

- Q.9** Explain accounting standards and their usefulness in formulating accounting policies and practices. 10M

OR

- Q.10** a. What is ratio? Explain briefly the profitability ratios. 5M
b. From the following data of Dharma Co. Ltd. calculate Current ratio, Liquid ratio and Absolute liquid ratio. 5M

Particulars	(Rs.)
Cash	1,00,000
Debtors	4,00,000
Stock	6,00,000
Bills Payable	1,50,000
Creditors	2,00,000
Bank overdraft	2,50,000

SECTION – B

(Compulsory Question)

1 x 10 = 10 Marks**Q.11. Case Study**

The following Trading and Profit and Loss Account of Lakshmi Co. Ltd. for the year 2015 is given below:

Particulars	Rs.	Particulars	Rs.
To Opening Stock	76,250	By Sales	5,00,000
To Purchases	3,15,250	By Closing Stock	98,500
To Carriage and Freight	2,000		
To Wages	5,000		
To Gross Profit	2,00,000		
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	5,98,500		5,98,500
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To Administration Expenses	1,01,000	By Gross Profit b/d	2,00,000
To Selling and Dist. Expenses	12,000	By Non-operating incomes	1,500
	2,000		
To Non-operating Expenses	7,000	By Interest on Securities	3,750
To Financial Expenses	84,000	By Dividend on Shares	750
To Net Profit c/d	-----	By Profit on sale of shares	-----
	2,06,000		2,06,000

Calculate:

- Gross Profit Ratio
- Expenses Ratio
- Operating Ratio
- Net Profit Ratio
- Operating Profit Ratio
- Stock Turnover Ratio.

***** END *****