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Total Number of Pages: 02

Course: MBA
Sub_Code: 18MBA107

1st Semester Back Examination: 2024-25
FINANCIAL ACCOUNTING AND ANALYSIS

BRANCH(S): MBA (M & F), MBA (A & M), MBA, IB, HRM, LSCM, FM&HRM, FM, GM, BA, RM, MM

Time: 3 Hours

Max Marks: 100

Q.Code: R559

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions:

(2 x 10)

- Define Accounting. Is it different from Book Keeping?
- Why Accounting is called language of Business?
- What is error of principle in Trail balance?
- Give examples of outstanding income and expenditure with examples.
- What are the constituents of Financial Statements?
- Why is entity postulate so important?
- Explain the accrual principle.
- Explain materiality principle with examples.
- What is leverage ratio?
- How do you compute EPS?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

(6 x 8)

- What is GAAP? What are the advantages of Accounting Standards?
- What are the golden principles for making journal entries of transactions?
- What are different types of accounts? Explain with examples.
- What are the subsidiaries books a company must maintain to prepare accounts?
- Explain with diagram the accounting cycle.
- What is a trial balance? What are its objectives?
- Explain the errors of omission and errors of commission with examples.
- Distinguish between Cash flow from investment activities and cash from financing activities.
- What are the merits of making ratio analysis?
- Distinguish between Vertical analysis and Horizontal analysis.

- k) Draft a Balance Sheet under vertical method by giving hypothetical figures.
 l) How do you find the gross profit? Prepare appropriate account with imaginary figures.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 What are the informational needs of stakeholders of a business from the final accounts of a company? (16)

Q4 Explain the accounting concepts and conventions that are considered while preparing accounts of a company (16)

Q5 Calculate the P/E ratio from the following data: (16)

	Rs.
Equity Share capital (Rs. 20 each)	50,00,000
Reserves and Surplus	5,00,000
Secured Loans at 15%	25,00,000
Unsecured Loans at 12.5%	10,00,000
Fixed assets	30,00,000
Investments	5,00,000
Operating Profit	25,00,000
Income tax rate 50% and Market price per share is Rs 50/-	

Q6 From the following Trial Balance of Ever-Green and Company prepare a Trading and Profit and Loss A/c and a Balance Sheet. (16)

Particulars	Debit	Credit
Cash in Hand	2400	
Purchases	240000	
Opening Stock	70000	
Debtors	100000	
Plant and Machineries	120000	
Furniture	30000	
Bills Receivables	40000	
Rent and Taxes	20000	
Wages	32000	
Salaries	37600	
Capital		200000
Bills Payable		44000
Creditors		48000
Sales		400000
Total	692000	692000

Additional Information

Closing stock was valued at Rs. 50000.