

150 – Financial and Mgt Accounting – Model Paper

Register Number :

Name of the Candidate :

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M.B.A. DEGREE EXAMINATION, 2013

(FINANCIAL MANAGEMENT)

(FIRST YEAR)

(PAPER - V)

**150. FINANCIAL AND MANAGEMENT
ACCOUNTING**

May] [Time : 3 Hours

Maximum : 75 Marks

SECTION – A (5 × 3 = 15)

Answer any FIVE questions.

ALL questions carry EQUAL marks.

1. Write a short note on:

- What is financial accounting?
- Define payback method.
- What is meant by trend analysis?

Turn Over

2

- What is Fund flow statement?
- What is cash flow statement?
- Define marginal costing.
- What are the methods to prepare reports?

SECTION – B (3 × 10 = 30)

Answer any THREE questions.

ALL questions carry EQUAL marks.

- Explain the limitations of financial accounting.
- Explain the various classifications of capital budgeting decisions with suitable examples.
- How does fund flow statement differ from Balance Sheet?
- Describe the advantages of Ratio Analysis.
- What is meant by marginal costing? Explain its applications of marginal costing.

3

SECTION – C (1 × 15 = 15)

Answer any ONE question.

- Distinguish between management accounting and cost accounting.
- Prepare Trading Profit and Loss Account of XYZ & CO as on 31.03.2000.

S.No.	Particulars	Debit ₹	Credit ₹
1.	Capital		25,000
2.	Drawings	2,500	
3.	Plant and machinery	10,000	
4.	Furniture and fittings	5,000	
5.	Sundry creditors		7,000
6.	Sundry debtors	9,000	
7.	Loan borrowed		15,000
8.	Wages	2,500	
9.	Purchases	17,500	
10.	Return inwards	1,000	
11.	Sales		25,000

4

S.No.	Particulars	Debit ₹	Credit ₹
12.	Return outwards		2,500
13.	Carriage outwards	1,250	
14.	Carriage inwards	750	
15.	Power, gas, fuel	500	
16.	Salary	6,000	
17.	Stationery	600	
18.	Stock on 1.4.99	11,000	
19.	Cash in hand	3,500	
20.	Discount	200	300
21.	Insurance	500	
22.	Advertising	1,500	
23.	Bad debts	750	
24.	Rent	1,000	
25.	Commission (Cr)		250
		<u>75,050</u>	<u>75,050</u>

Adjustments :

- (i) Stock on 31.3.2000 ₹ 5000
(ii) Interest on capital due ₹ 450
(iii) Interest on drawings due ₹ 150

5

- (iv) Outstanding wages ₹ 250, Salaries ₹ 600
(v) Prepaid insurance ₹ 125
(vi) Depreciation on machinery 10%, furniture 5%
(vii) Additional bad debt. ₹ 1,000
9. Trial balance of X agency as on 31.3.2000 are given. Prepare Trading, Profit and Loss a/c and Balance Sheet as on date.

S.No.	Particulars	Debit ₹	Credit ₹
1	X's capital	-	2,50,000
2.	Creditors	-	25,000
3.	Drawings	10,000	-
4.	Bills payable	-	13,000
5.	Buildings	1,20,000	-
6.	Furniture and fittings	30,000	-
7.	Motor truck	70,000	-
8.	Interest on capital	25,000	-
9.	Carriage in	300	-

Turn Over

6

S.No.	Particulars	Debit ₹	Credit ₹
10.	Carriage out	400	-
11.	Discount	1,000	500
12.	Loose tools	10,000	-
13.	Opening stock	8,000	-
14.	Sales	-	2,90,000
15.	Returns	7,500	10,000
16.	Prchases	1,60,000	-
17.	Salaries	14,000	-
18.	Wages	3,000	-
19.	Cash	15,000	-
20.	Bills Receivable	75,000	-
21.	Debtors	25,000	-
22.	General expenses	1,000	-
23.	Audit fee	1,500	-
24.	Investments	5,000	-
25.	Machinery	75,000	-
26.	Bad debts	200	-
27.	Provision for bad debts	-	900
		<u>5,89,400</u>	<u>5,89,400</u>

Adjustments :

- (i) Interest on capital is to be charged @ 12% and on drawings @ 15%
- (ii) Wages include ₹ 1250, which was spent on erection of machinery.
- (iii) Purchases includes private purchase worth ₹ 2,500.
- (iv) Provision for bad debts is to be maintained at ₹ 400.
- (v) Increase bad debts by ₹ 1,200.
- (vi) Depreciation on plant and machinery @10% and on furniture @ 6% are to be provided.
- (vii) Salaries outstanding ₹ 2,000.
- (viii) One-fourth of the net profit is to be transferred to reserves.
- (ix) Closing stock was valued at ₹ 15,000.

Turn Over**SECTION – D****(1 × 15 = 15)***(Compulsory)*

10. From the following Balance Sheets of XXX and Co., prepare schedule of changes in working capital.

Liabilities	31.12.96 ₹	31.12.97 ₹	Assets	31.12.96 ₹	31.12.97 ₹
Capital	2,00,000	2,50,000	Good will	50,000	50,000
Debentures	1,00,000	1,00,000	Plant and machinery	1,00,000	1,00,000
Loans	55,000	55,000	Long term investments	50,000	75,000
Creditors	10,000	20,000	Buildings	1,25,000	1,50,000
Bills payable	8,000	15,000	Prepaid exp.	5,000	-
Bank O/D	7,000	5,000	Cash	5,000	10,000
			Debtors	15,000	25,000
			Closing stock	25,000	25,000
			Prepaid expenses	5,000	10,000
	3,80,000	4,45,000		3,80,000	4,45,000

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