

DOON UNIVERSITY, DEHRADUN

Final Examination, 2015

School of Management (IMBA-5 yrs. Ist Sem.)

Course: IMBA 103-: Financial Accounting

Time Allowed: 3 Hours

Maximum Marks: 50

(Note: Attempt All Questions from Sections A and B and any 3 from Section C.)

SECTION : A

(Marks:16)

Q1. The following Trial Balance is extracted from the books of Nikhilesh as on 31st March, 2015.

Debit Balance	Rs.	Credit Balance	Rs.
Stock (1.4.2014)	50,000	Capital	3,20,000
Furniture	16,000	Creditors	80,000
Building	1,60,000	Purchases Return	2,000
Debtors	60,000	Commission	1,000
Drawings	20,000	Sales	4,55,600
Plant and Machinery	1,20,000	Bad Debts Recovered	1,400
Additions to Plant & Machinery (1.10.2014)	20,000		
Wages	24,000		
Salaries	40,000		
Bad Debts	2,000		
Purchases	2,40,000		
Electric Charges	2,400		
Telephone Charges	4,800		
General Expenses	6,000		
Postage and Telegram	3,600		
Sales Return	1,800		
Insurance Premium	3,000		
Cash in Hand	6,400		
Cash at Bank	80,000		
	8,60,000		8,60,000

Prepare a Trading Account and Profit and Loss Account for the year ending 31st March, 2015 and a balance sheet as on that date after taking into account the following adjustments:

1. Stock on 31st March, 2015 Rs. 14,000.
2. Outstanding liabilities for Wages Rs. 1,200 and Salaries Rs. 2,800.
3. Depreciation @ 5% p.a. is to be provided on all fixed assets.
4. Write-off bad debts Rs. 1,500.
5. Insurance premium paid in advance Rs. 400.
6. Accrued commission Rs. 500.

SECTION : B (Short Answer Type Questions)**.(Marks: 2x5=10)**

Write short notes on:

- 1) Convention of materiality.
- 2) Different policies related with Depreciation.
- 3) Convention of full disclosure.
- 4) Intangible assets with examples.
- 5) Accounting

SECTION : C (Long Answer Type Questions. Attempt any THREE Questions).**(Marks: 8 x 3)**

Q1) What is Fund Flow Statement? Examine its managerial uses.

Q2. Prepare cash flow statement.

Liabilities	2014	2015
Share Capital	6,00,000	7,00,000
General Reserve	2,00,000	3,00,000
Balance in statement of P&L	1,20,000	1,40,000
10% Debentures	3,00,000	5,00,000
Trade Payable	1,70,000	2,50,000
Total	13,90,000	18,90,000
Assets		
Fixed Assets		
Tangible: Machinery	6,40,000	8,20,000
Intangible: Goodwill	2,00,000	1,60,000
Non-current Investment: 10% Investment	60,000	1,60,000
Trade Receivable	1,60,000	3,80,000
Inventories	80,000	1,10,000
Cash & cash equivalent	2,40,000	2,60,000
Underwriting commission	10,000	
Total	13,90,000	18,90,000

Additional Information:

- (i) During the year investments costing Rs. 60,000 were sold for Rs. 56,000.
- (ii) A new machinery was purchased for Rs. 2,60,000.
- (iii) Depreciation charged amounted to be Rs. 80,000.

Q3. What is Ratio Analysis. Discuss its role.

Q4. Journalise the following transactions.

2015		Rs.
April 1	Kamal started business with cash	
April 2	Bought goods for cash	1,00,000
April 3	Opened Bank Account with cash	30,500
April 4	Sold goods for cash	50,000
April 7	Bought goods from Surya on credit	40,000
April 10	Sold goods to Rakesh on credit	30,000
April 15	Purchased Plant and Machinery and payment is made by cheque	25,000
April 19	Paid to Surya in cash	16,600
April 21	Received loan from Anil and deposited the same into bank	10,000
April 23	Goods returned to Surya	8,000
April 26	Withdrew from bank for personal use	1,000
April 27	Paid to Surya by cheque	5,000
April 29	Received cash from Rakesh	8,000
April 30	Purchased stationery for cash	10,000
April 30	Paid wages and salaries	200
		10,000