



17/12/2015

**DOON UNIVERSITY, DEHRADUN**

**Final Examination, 2015**

**School of Management (MBA-2 yrs. I<sup>st</sup> Sem.)**

**Course: MMS – 502: Financial Analysis And Reporting**

*Time Allowed: 3 Hours*

*Maximum Marks: 50*

*(Note: Sections A and B are compulsory and attempt any 3 questions from Section C.)*

**SECTION : A**

*(Marks:16)*

Q1(a) Following is the summarised balancesheet of Star Ltd. as on 31<sup>st</sup> December 2014 & 15.

Liabilities	Amount (2014)	Amount (2015)	Assets	Amount (2014)	Amount (2015)
Share Capital	9,00,000	9,00,000	Fixed Assets	8,00,000	6,40,000
General reserve	6,00,000	6,20,000	Investment	1,00,000	1,20,000
P&L a/c	1,12,000	1,36,000	Stock	4,80,000	4,20,000
Creditors	3,36,000	2,68,000	Debtors	4,20,000	9,10,000
Provision for tax	1,50,000	20,000	Bank	2,98,000	3,94,000
Loan		5,40,000			
<b>Total</b>	<b>20,98,000</b>	<b>24,84,000</b>		<b>20,98,000</b>	<b>24,84,000</b>

Additional information:

- 1) Investment costing Rs 16,000 were sold during 2015 for Rs. 17,000.
- 2) Provision for taxation made during the year was Rs. 18,000.
- 3) During the year part of fixed assets costing Rs. 20,000 were sold for Rs. 24,000.
- 4) Dividend paid during the year amounted to Rs. 80,000.

Prepare Fund Flow Statement and Schedule of Changes in Working Capital.

(b) Calculate for the year 2015

(i) Current Ratio

(ii) Liquid Ratio

(iii) Debt equity Ratio

**SECTION : B**

*(Marks: 2x5=10)*

Write short notes on the following:

- a) Trial Balance
- b) Double Entry System and Single Entry System
- c) Depreciation
- d) Explain any two accounting conventions
- e) Limitations of Ratio Analysis

**SECTION : C ( Long Answer Type Questions. Attempt any three Questions).**

**(Marks: 8x3=24)**

Q1. What is Cash Flow Statement? How does it differ from Fund Flow Statement?

Q2. Journalise the following transactions.

- a) Paid wages for installation of machinery Rs.10,000.
- b) Paid life insurance premium Rs.500.
- c) Deposited into bank Rs. 2000.
- d) Goods given as charity Rs.300.
- e) Outstanding salary for March Rs.600.
- f) Received cash for bad debts written off last year Rs.1,000.
- g) Mr. X who owed us Rs. 500 became insolvent and a final dividend of 40ps. in a rupee is received.
- h) Sold goods to Mr. X for Rs. 10,000 @5% cash discount and 10% trade discount, 40% amount received in cash

Q3. Prepare Trading and Profit and Loss Account for the year ending 31<sup>st</sup> March, 2012 and the Balance Sheet as on that date.

Particulars	Dr. Balance (Rs.)	Cr. Balance (Rs.)
Building	1,60,000	
Wages	26,000	
Machinery	16,000	
Salaries and wages	41,600	
Debtors	33,700	
Capital		2,23,100
Purchases/Sales	56,500	1,00,700
Creditors		12,500
Income Tax	2,000	
Drawings	500	
	3,36,300	3,36,300

Adjustments:

1. Closing Stock is Rs. 88,500.
2. Outstanding Salaries and wages Rs.3,400.
3. Charge depreciation on machinery 10% p.a.

Q4. What do you mean by accounting? Explain any six accounting concepts.