

**DOON UNIVERSITY, DEHRADUN**  
**Mid-Term Examination, 2014**  
**School of Management (MBA-2 yrs. I Sem.)**  
**Course: MMS-502 –: Financial Analysis And Reporting**

*Time Allowed: 1<sup>1/2</sup> Hours*

*Maximum Marks: 30*

*(Note: Attempt All Questions from Sections A and B and any 2 from Section C.)*

**SECTION : A**

*(Marks:10)*

The following Trial Balance is extracted from the books of Nikhilesh as on 31<sup>st</sup> March, 2013.

Debit Balance	Rs.	Credit Balance	Rs.
Stock (1.4.2012)	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 (1.10.2012)	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-		
	<u>8,60,000</u>		<u>8,60,000</u>

Prepare a Trading Account and Profit and Loss Account for the year ending 31<sup>st</sup> March, 2013 and a balance sheet as on that date after taking into account the following adjustments:

1. Stock on 31<sup>st</sup> March, 2013 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: 1x5=5)**

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 TWO Questions).****(Marks: 7.5 x 2)**

Q1) Describe accounting concepts in brief.

Q2) Journalise the following transactions, post them in Ledger Accounts and balance them:

2008		Rs.
April 1	Kamal started business with cash	1,00,000
April 2	Bought goods for cash	30,500
April 3	Opened Bank Account with cash	50,000
April 4	Sold goods for cash	40,000
April 7	Bought goods from Surya on credit	30,000
April 10	Sold goods to Rakesh on credit	25,000
April 15	Purchased Plant and Machinery and payment is made by cheque	16,600
April 19	Paid to Surya in cash	10,000
April 21	Received loan from Anil and deposited the same into bank	8,000
April 23	Goods returned to Surya	1,000
April 26	Withdrew from bank for personal use	5,000
April 27	Paid to Surya by cheque	8,000
April 29	Received cash from Rakesh	10,000
April 30	Purchased stationery for cash	200
April 30	Paid wages and salaries	10,000

Q3) What are accounting standards? Explain in brief.