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DOON UNIVERSITY, DEHRADUN
Final Semester Examination, 2016
School of Management
IMBA, First Semester
Course: IMBA-103: Financial Accounting

Time: 3Hours

Total Marks: 50

Note: Attempt all questions.

SECTION: A (Short Answer Type Questions/ to be answered in about max 200 words)

Attempt all parts. All parts carry equal marks.

(2*5=10)

Write Short note on the following:

1. Going Concern Concept
2. Manufacturing Account
3. Intangible Assets
4. Trade discount
5. Common size Statement

SECTION: B (Medium Answer Type Questions to be answered in about 350words)

Attempt all parts. All parts carry equal marks.

(5*4=20)

1. Enter the following transactions in the journals of Anuj.

2016.

Jan 1. Assets: Cash in hand Rs. 2000, Cash at Bank 68000, Stock 40,000,
Machinery Rs. 100,000, Furniture 10,000, Bablu 25,000.

Liabilities: Loan Rs 50,000, Jain Ltd. Rs. 20,000.

Jan 2. Bought goods on credit from Sameer	Rs. 10,000
Jan 3. Old Furniture sold for cash	Rs. 5000
Jan 10. Paid cheque to Jain Ltd	Rs. 10,000
Jan 21 Cash deposited in bank	Rs. 5000
Jan 26 Paid rent for cash	Rs. 500
Paid salaries for the month	Rs. 1500
Draw out of bank for private use	Rs. 3000
Jan 28 Received cheque from Bablu, cheque deposited in bank discount allowed to them	Rs. 22,500

Jan 31. Old newspaper sold

Rs. 300

2. Why is inventory valuation significant?
3. A plant is purchased for Rs. 50,000 on 1st Jan 2009. Scrap value is Rs. 10,000 and useful life is 5 years. Prepare plant account for 5 years according to straight line method.
4. On the basis of following data comment on the liquidity position of firm.

Assets: Cash in hand Rs. 1,00,000, Debtor Rs. 50,000, Inventory Rs. 75,000, Prepaid expenses Rs. 10,000

Liability: Creditor Rs. 35,000, Short term loans Rs. 45,000, Outstanding expenses Rs. 10,000

SECTION: C (Long Answer Type Questions to be answered in about 500 words)

Attempt any two. All parts carry equal marks.

(10*2=20)

1. A firm purchased plant on 1st Jan 2014 for Rs. 50,000 and paid installation charges of Rs. 10,000. Prepare plant account for 3 years charging depreciation at the rate of 10% p.a according to diminishing balance method.
2. Purchases of certain product during March, 2011 are set out below:

March 01	100 units @ 10
March 12	100 units @ 9.80
March 15	50 units @ 9.60
March 20	100 units @ 9.40

Units sold during the month were as follows:

March 10	80 units
March 14	100 units
March 30	90 units

You are required to determine the cost of goods sold for March under FIFO and LIFO.

3. From the following Balance Sheet you are required to prepare a schedule of change in working capital.

Particular	as on March 2015	as on March 2016
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Assets

Land and Building	50,000	50,000
Inventory	24,000	54,000
Prepaid expenses	16,500	20,500
Cash at Bank	4000	10,000
Total Assets	94,500	1,34,500
<hr/> Capital and Liabilities		
Capital	70,000	85,000
P&L	14,500	44,500
Creditors	10,000	5000
Total Liabilities	94,500	1,34,500