

MASTER OF BUSINESS ADMINISTRATION  
FIRST SEMESTER  
FINANCIAL ACCOUNTING FOR MANAGERS  
MBA – 104

**SET  
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Full Marks: 70

Duration: 3 hrs.

**(Objective)**

Marks: 20

Time: 30 mins.

1 × 20 = 20

Choose the correct answer from the following:

1. The fundamental accounting equation is
  - a. Assets = Liabilities
  - b. Assets = Liabilities + Capital
  - c. Liabilities = Capital
  - d. Revenue = Expenses
2. The term "GAAP" stand for
  - a. Generally Accepted Accounting Principles
  - b. Generally Acknowledged Accounting Procedures
  - c. Generally Authorized Accounting Practices
  - d. Generally Applied Accounting Protocols
3. In double-entry accounting, every transaction affects at least
  - a. One account
  - b. Two account
  - c. Three account
  - d. Four account
4. What is the purpose of the trial balance in accounting?
  - a. To prepare financial statements
  - b. To ensure that debits equal credits
  - c. To record adjusting entries
  - d. To close the books at the end of the accounting period
5. When the Owner withdraws money from his business for personal use, it is treated as
  - a. Capital
  - b. Drawings
  - c. Expense
  - d. Asset
6. Discount Allowed is an item of
  - a. Asset
  - b. Revenue
  - c. Expense
  - d. Capital
7. Commission Received is an item of
  - a. Revenue
  - b. Expense
  - c. Asset
  - d. Liability
8. Gradual decrease in the value of fixed Asset means
  - a. Depreciation
  - b. Amortization
  - c. Appreciation
  - d. Obsolescence
9. Factory Rent is an item of
  - a. Trading Account
  - b. Profit & Loss Account
  - c. Ledger
  - d. Journal

10. Depreciation is shown in debit side of
  - a. Trading A/c
  - b. Profit & Loss A/c
  - c. Balance Sheet
  - d. None of above
11. An amount of loan taken from bank is treated as
  - a. Liability
  - b. Asset
  - c. Capital
  - d. Revenue
12. Discount received is treated as a/an
  - a. Expense
  - b. Revenue
  - c. Asset
  - d. Loss
13. When the debit balance of trading A/c is excess, it is
  - a. Gross Profit
  - b. Net Loss
  - c. Gross Loss
  - d. Net Profit
14. Which of the following is a current asset?
  - a. Building
  - b. Furniture
  - c. Bills Receivable
  - d. Bank Loan
15. What is the formula for calculating Net Income?
  - a. Revenue - Expenses
  - b. Assets - Liabilities
  - c. Liabilities - Equity
  - d. Equity - Revenue
16. What is the normal balance of an expense account?
  - a. Debit
  - b. Both Debit & Credit
  - c. Credit
  - d. None of the Above
17. Which accounting principle states that expenses should be recognized in the period in which they are incurred, regardless of when the cash is paid?
  - a. Matching Principle
  - b. Revenue Recognition Principle
  - c. Accrual Principle
  - d. Historical Cost Principle
18. What is the purpose of a journal?
  - a. To summarize financial transactions
  - b. To record transactions in a chronological order
  - c. To calculate the trial balance
  - d. To prepare financial statements
19. Which account would be credited in a journal entry for the sale of goods on credit?
  - a. Sales
  - b. Inventory
  - c. Cash
  - d. Accounts Receivable
20. If a business pays cash for rent, which accounts are affected?
  - a. Rent Expense and Cash
  - b. Rent Revenue and Cash
  - c. Rent Expense and Accounts Payable
  - d. Rent Revenue and Accounts Receivable

-- -- --



**( Descriptive )**

Time : 2 Hr. 30 Mins.

Marks : 50

[ Answer question no.1 & any four (4) from the rest ]

1. What is Financial Shenanigans? What are the techniques adopted by companies for Financial Shenanigans? 2+8=10
  
2. Journalise the following transactions in the books of Soraj Mart during the month of April, 2023 10
  - 01.4.2023 Business started with cash Rs.1,50,000.
  - 01.4.2023 Goods purchased form Manisha Rs. 36,000.
  - 01.4.2023 Stationery purchased for cash Rs. 2,200.
  - 02.4.2023 Open a bank account with SBI for Rs. 35,000.
  - 02.4.2023 Goods sold to Priya on credit for Rs. 16,000.
  - 05.4.2023 Sold goods to Nidhi Rs. 14,000.
  - 10.4.2023 Purchased goods for Rs. 20,000 on credit from Ritu.
  - 14.4.2023 Insurance paid by chequeRs. 6,000.
  - 18.4.2023 Paid rent Rs. 2,000.
  - 24.4.2023 Purchased office furniture for Rs. 11,200.
  
3. Prepare a trial balance as at March 31, 2023 based on the following balances: 10

Capital Rs.1,00,000; Drawings Rs.16,000 ; Machinery Rs.20,000;  
Sales Rs.2,00,000; Purchases Rs.2,10,000; Sales return Rs.20,000 ;  
Purchases return Rs.30,000; Wages Rs.40,000; Goodwill Rs.60,000 ;  
Interest received Rs.15,000; Discount allowed Rs.6,000;  
Bank overdraft Rs.22,000; Bank loan Rs.90,000; Cash Rs.54,000 ;  
Debtors : Nathu Rs.55,000 , Roopa Rs.20,000 ; Stock Rs.16,000  
Creditors : Reena Rs.35,000 ,Ganesh Rs.25,000
  
4. On 1 October 2018, Xrox company purchased a plant valued Rs.100000 and its installation charges Rs.20000. Depreciation was charged @10% p.a. on diminishing balance method. A new plant was purchased on 1st April 2021 at Rs. 56000. On 1st April 2022, the plant that was purchased on 1st October 2018 was sold for Rs. 87000. Show the calculation of Depreciation and Prepare Plant Account (ledger), upto 31st March 2023. Books of accounts are closed on 31st March every year. 10
  
5. Answer the Following Questions: 2×5=10
  - a) What is Accounting?
  - b) What is Journal?
  - c) What is the meaning Trading Account?
  - d) What is Depreciation?
  - e) What is a Cash Flow Statement?



6. Prepar Cash Account (Ledger) and Bank Account (Ledger) as on 31st March 2023, from the following transactions: 10

01/03/2023: Cash Deposited into Bank Rs.50000  
 02/03/2023: Purchase of Good for Cash Rs.34000  
 03/03/2023: Purchase of goods for cash and Payment made by cheque Rs.23000  
 04/03/2023: Goods sold for cash Rs.10000  
 05/03/2023: Received Cash from Mrinal Rs.5000  
 06/03/2023: Cash withdrawn from Bank Rs 15000  
 07/03/2023: A customer Ravi directly deposited amount into bank Rs.23000  
 08/03/2023: Commission received for cash Rs.400  
 09/03/2023: Withdrawn from bank for proprietor's personal use Rs.3000  
 10/03/2023: Rent paid in cash Rs.4000

7. Following is the Balance Sheet of Sewak Ltd. as on 31st March 2021 and 31st March 2022. 10

Liabilities	2021	2022	Asset	2021	2022
Equity share capital	400000	700000	Fixed	300000	500000
9% Debenture	200000	400000	Assets	200000	140000
Creditors	120000	160000	Investment	50000	100000
Outstanding Expenses	10000	20000	Stock	100000	180000
			Debtors	30000	40000
			Cash	50000	320000
			P/L		
			Account		
	730000	128000		730000	128000

Additional Information:

Included in the fixed assets was a piece of machinery costing Rs.60000 on which depreciation charged was Rs.40000 and it was sold for Rs.30000. During the year 2022, Rs. 130000 was charged as depreciation on fixed assets.

Prepare a Cash Flow Statement.

8. Write Short Notes on: 10
- Money Measurement Concept
  - Going Concern Concept
  - Accounting Period Concept

== \*\*\* ==