

**MASTER OF BUSINESS ADMINISTRATION
FIRST SEMESTER
FINANCIAL ACCOUNTING
MBA-104**

(Use separate answer scripts for Objective & Descriptive)

Duration: 3 hrs.

Full Marks: 70

[PART-A : Objective]

Time: 20 min.

Marks: 20

Choose the correct answer from the following:

1×20=20

1. The resources owned by the business is known as:

- a) Liabilities b) Expenses c) Assets

2. Customers to whom goods are sold on credit are known as:

- a) Creditors b) Debtors c) Suppliers

3. Goods sold to Simanta should be debited to:

- a) Cash A/c b) Simanta A/c c) Sales A/c

4. Purchased goods from Vikram for cash should be credited to:

- a) Vikram A/c b) Cash A/c c) Purchases A/c

5. Sales are:

- a) Debited in trading account b) Credited in trading account
c) Credit in profit and loss account

6. Current assets are recorded in the balance sheet on:

- a) Liability side b) Assets side c) Both a & b

7. Cash in hand is an example of:

- a) Current assets b) Fixed assets c) Current liability

8. The debts owing to others by the business is known as:

- a) Liabilities b) Expenses c) Debtors

9. As per the business entity assumption, the business is different from the:

- a) Owners b) Banker c) Government

10. Wages is an example of:

- a) Capital expenses b) Indirect expenses c) Direct expenses

11. In each of the following cases indicate the alternative which you consider to be correct: The liabilities of a firm are Rs. 3000; the capital of the proprietor is Rs. 7000. The total assets are:

- a) Rs. 7000 b) Rs. 10000 c) Rs. 4000 d) Rs. 15000

12. Depreciation is provided on _____.

- a) Fixed assets b) Outward charges
c) Current assets d) Intangible assets

13. According to money measurement concept, which one the following will be recorded in the books of accounts?

- a) excellent morale of workers b) quality control in the business
c) managing ability of the manager d) cost of machinery

14. The policy of anticipate no profit and provide for all possible losses arises due to convention of _____.

- a) Consistency b) Disclosure
c) Matching d) Conservatism

15. Which one the following is an example of an intangible asset?

- a) Preliminary expenses b) Discount on issue of debentures
c) Investments d) Copyrights

16. When furniture is sold for cash, the entry should be made in _____.

- a) Sales book b) Cash book
c) Journal d) Petty cash book

17. The balance of cash account indicates _____.

- a) Net income for the period b) Net loss for the period
c) Net cash on hand d) Net worth of the business

18. A gross profit is transferred to the _____ side of the profit and loss account.

- a) Debit b) Credit c) Current d) Asset

19. The balance sheet is a _____ of the assets, liabilities and capital of a concern as on particular date.

- a) Statement b) Document c) Picture d) Balance

20. A credit sale of goods to Shiva should be debited to _____.

- a) Sales account b) Goods account
c) Shiva account d) Purchase account

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[PART-B :Descriptive]

Time: 2 hrs. 40min.

Marks: 50

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

- Discuss the main objectives of Accounting. Discuss the various users of accounting information. 4+6=10
- Write short notes on 'Money Measurement Concept' and 'Matching Concept' with suitable examples. 5+5=10
- What do you mean by 'Journal'? 2+8=10
 - Pass the journal entry for the following transactions:
2018
August 1: Mr. Kamal started business with cash investment of Rs.150000.
August 2: He deposited Rs.50000 in to bank to open a current account.
August 3: Goods purchased for Rs. 35000 paid by Cash.
August 4: Cash Sales Rs. 15000
August 5: Sold goods to Mr. Rakesh for Rs. 10000.
August 6: Received from Rakesh Rs. 10000.
August 8: Goods purchased from AB suppliers Rs. 30000.
August 10: Issued a cheque to AB Suppliers Rs. 10000.
- Write a note on Cash book. 3+7=10
 - Prepare a single column cash book from the following particulars of Mr. Chandan.
2018
August 1 Cash balance Rs.80,000.
7 Bought goods for cash Rs.25,000
9 Purchased goods on credit from Guru Rs.6,000.
12 Sold goods to Somu on credit Rs.8,000.
14 Paid Guru Rs.6,000.
17 Cash received from Somu Rs,8,000.
20 Paid trade expenses Rs.10,000.
21 Received cheque from Krishna Rs.10,000.
27 Commission received Rs.5,000.
- a) Discuss the factors to be considered for calculation of Depreciation.

b) On 1st January 2009 Max Ltd. purchased a second hand machine for Rs.80000 and spent Rs.20000 on its cartage, repairs and installation. On 30th September 2010 this machine is sold for Rs.50000. Depreciation is to be provided @ 20% p.a according to Written Down Value Method. Prepare Machinery Account for the first three years assuming that the accounts are closed on 31st March each year. 3+7=10

6. Write a short note on 'Trading Account' and 'Profit & Loss Account'. 5+5=10

7. Write a short note on Value added accounting?
What do you mean by financial Shenanigans? Describe it with an example of Indian scenario. 4+6=10

8. The following information was extracted from the books of M/s. Sudha Ltd. Prepare final accounts on 31.3.2018. 3+4+3=10

| Particulars | Debit Rs. | Particulars | Credit Rs. |
|-------------------|--------------|-----------------|---------------|
| Opening Stock | 12500 | Sales | 189000 |
| Depreciation | 7000 | Commission | 2000 |
| Carriage Inwards | 700 | Capital | 171300 |
| Furniture | 8000 | Creditors | 17500 |
| Carriage Outwards | 500 | Bills Payable | 5000 |
| Plant & Machinery | 200000 | Return outwards | 13800 |
| Cash | 8900 | | |
| Salaries | 7500 | | |
| Debtors | 19000 | | |
| Discount | 1500 | | |
| Bills Receivable | 17000 | | |
| Sales returns | 14000 | | |
| Wages | 16000 | | |
| Purchase | 86000 | | |
| | 398600 | | 398600 |

Closing stock on 31-03.2018 was Rs. 45000.
