

2009-JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY

MBA I SEMESTER SUPPLEMENTARY EXAMINATION

FINANCIAL ACCOUNTING AND ANALYSIS

JANUARY-09

TIME-3HOUR

MARKS-60

ANSWER ANY FIVE QUESTIONS ALL QUESTIONS CARRY EQUAL MARKS

[12*5=60 MARKS]

1. Write short notes on:

(a) Accounting

(b) Accountancy

(c) Account.

2. The following are the balances extracted from the books of Z Ltd. On 31st December 2006:

Rs.

Z's Capital 30,000

Z's drawings 5,000

Furniture & Fittings 2,600

Bank Overdraft 4,200

Creditors 13,800

Business Premises 20,000

Opening stock 22,000

Debtors 18,000

Rent from tenants 1,000

Purchases 1,10,000

Sales 1,50,000

Sales Returns 2,000

Discount (Dr.) 1,600

Discount (Cr.) 2,000

Taxes and Insurance 2,000

General expenses 4,000

Salaries 9,000

Commission (Dr.) 2,200

Carriage inward 1,800

Bad debts 800

Adjustments:

(a) Closing stock was Rs. 20,060.

(b) Write off depreciation on Business Premises Rs. 300 Furniture & Fittings Rs.250

(c) Make a reserve of 5% on Debtors for doubtful debts.

(d) Allow interest on capital at 5% and

(e) Carry forward Rs. 200 for unexpired insurance. Prepare Trading and Profit and Loss account for the year and a Balance Sheet as on that date.

3. Messrs Mill and Wright commenced business on January 1, 1994, when they purchased plant and equipment for Rs. 700000. They adopted a policy of

(a) changing depreciation at 15% p.a. on diminishing balance basis and

(b) changing full year's depreciation on additions. Over the years, their purchases of plant have been: 1.8.1995 Rs. 150000, 30.9.98

Rs. 200000.

On 1.1.98, it was decided to change the method and rate of depreciation to 10% p.a. on straight line basis with retrospective effective from 1.1.1994, the adjustment being made in the accounts for the year ending December 31, 1998. Calculate the difference in depreciation to be adjusted in the Plant and Equipment accounts on 1.1.98 and show the ledger account for the year 1998.

4. Write short notes on:

(a) Last in First Out

(b) First in First Out

(c) Highest in First Out.

5. What are different types of shares and debentures a company can issue ? Briefly explain them.

6. What is statement of changes in working capital. How it is prepared?

7. What are different Balance sheet Ratios? Explain any four capital structure (Leverage) ratios.

8. To what extent the Accounting Standards are honoured and implemented by Indian Corporate Sector ?
Examine.