

Subject Code: MB913

MBA I Semester [R09] Regular Examinations, February 2011

Financial Accounting and Analysis

Time: 3 Hours

Max Marks: 60

**Answer any FIVE questions All questions carry EQUAL marks,
Question No:8 is compulsory**

1. Briefly explain the importance of Ledger? Why it is called principal book of Accounts?
2. What are the causes for changes in Working Capital? How these changes be shown in a statement?
3. Sekhar and Co., acquired machine for Rs.50,000 on 1st April 2003 and spent Rs.10,000 for erection. The life of the machine was estimated at 10 years. The scrap value of the machine is Rs. 2,000. Assuming that the accounting year ends with Dec.31 every year, show the Machine Account and P&L Account for 5 years under fixed Installment method.
4. A Multi National Company offered 20000 equity shares of Rs. 20 each at a discount of 5% payable as follows
on application Rs. 6
on allotment Rs. 8
on Call Rs. 5

The applications received were for 16000 shares. All the money was duly received. Pass necessary entries in the journal of the company. Also show how these transactions would appear in the Balance Sheet of the company.

5. Define amalgamation. What entries are passed by a company to close its books when it is amalgamated by another company?

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- 6 Give a format of Cash Flow Statement approved by SEBI with imaginary figures.
7. What is meant by Goodwill? Explain different methods of valuing goodwill.
8. With the following ratio and further information given below, prepare Trading Account, Profit and Loss Account and a Balance Sheet of Shriwaran.
 - i)Gross Profit Ratio 15%
 - ii)Net Profit/Sales Ratio 10%
 - iii)Stock Turnover Ratio 15
 - iv)Net/Capital 1/7
 - v)Capital to total liabilities 1/3
 - vi)Fixed Assets/Capital 3/4
 - vii)Fixed Assets/total current assets 4/7
 - viii)Fixed Assets Rs. 20,00,000
 - ix)Closing Stock Rs. 5,00,000

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