

FACULTY OF MANAGEMENT
M.B.A. I – Semester (OLD) & (Evening) Examination, May / June 2019

Subject: Financial Accounting and Analysis
Course No. 1.3

Time: 3 Hours

Max. Marks: 80

Note: Answer all the questions.

PART – A (10x2 = 20 Marks)

[Short Answer Type]

1. Answer the following in not more than 75 words.

- a) Accounting Conventions
- b) Suspense Account
- c) Current Assets
- d) Depreciation
- e) Tax Planning
- f) Debt – Equity Ratio
- g) Leverage
- h) Working Capital
- i) GAPP
- j) BSC

PART – B (5x12 = 60 Marks)

[Essay Answer Type]

Note: Answer all the questions by using internal choice.

- 2 a) Define Scope of Accounting in detail.
OR
b) What are Accounting Concepts? Explain.
- 3 a) Distinction between Capital and Revenue Expenditure. Explain.
OR
b) The cost of machinery in use with a firm on 1st April, 2015 was Rs.2,50,000 against which the depreciation provision stood at Rs.1,10,000 on that date, the firm provided depreciation at 10% of the diminishing value.

On 31st December, 2011 two machines costing Rs.15,000 and Rs.10,000 respectively, both purchased on 1st October 2008, had to be discarded because of damage and had to be replaced by two machines costing Rs.20,000 and Rs.15,000 respectively.

One of the discarded machines was sold for Rs.8,000, against the other it was expected that Rs.3,000 would be realizable.
Show the relevant accounts in the ledger on the firm for the year ended 31st March 2015.

- 4 a) What are liquidity ratios – Activity / turn over ratios? Explain.
OR
b) How do you classify ratios? Explain.
- 5 a) What is the concept of Cash Flow Statement Analysis? Explain.
OR
b) What are the advantages and disadvantages of funds flow analysis? Explain.
- 6 a) What are Accounting Standards? Explain their rationale, and its growing importance.
OR
b) What is Human Resource Accounting? Explain in detail its importance today.
