

SHRI RAMSWAROOP MEMORIAL UNIVERSITY

End Semester Examination (2021-22)-Odd Semester

MBA – I Year (I Sem)

Course Name: Accounting and Financial Analysis

Code: MCM1005

Time: 02 Hours

Max Marks: 60

University Roll No.

(To be filled by the Student)

Note: Please read instructions carefully:

- a) The question paper has 03 sections and it is compulsory to attempt all sections.
- b) All questions of Section A are compulsory; questions in Section B and C contain choice.

Section A: Very Short Answer type Questions				BL	CLO	Marks (10)
Attempt all the questions.						
1.	Discuss limitations of maintaining ledger account.			BL2	CLO1	02
2.	Define cost accounting along with its features.			BL1	CLO2	02
3.	Discuss the relevance of preparing fund flow statement.			BL2	CLO 3	02
4.	List out the objectives of preparing balance sheet.			BL1	CLO 4	02
5.	Differentiate between efficiency ratio and liquidity ratio.			BL3	CLO 3	02
Section B: Short Answer Type Questions				BL	CLO	Marks (30)
Attempt any 03 out of 05 questions.						
1.	Explain in detail the concept, nature and causes of depreciation in a manufacturing firm.			BL2	CLO2	10
2.	From the data calculate the following: (i) Gross Profit Ratio (ii) Net Profit Ratio (iii) Return on Total Assets (iv) Inventory Turnover (v) Working Capital Turnover (vi) Net worth to Debt			BL3	CLO3	10
	Sales	25,20,000	Other Current Assets	7,60,000		
	Cost of Sales	19,20,000	Fixed Assets	14,40,000		
	Net Profit	3,60,000	Net Worth	15,00,000		
	Inventory	8,00,000	Debt	9,00,000		
	Current Liabilities	6,00,000				
3.	ABC Ltd. uses EOQ logic to determine the order quantity for its various components and is planning its orders. The Annual consumption is 80,000 units, Cost to place one order is Rs. 1,200, Cost per unit is Rs. 50 and carrying cost is 6% of Unit cost. Find EOQ, No. of order per year, Ordering Cost and Carrying Cost and Total Cost of Inventory.			BL3	CLO3	10

4.	Examine in detail the advantages and disadvantages of comparative financial statements.	BL3	CLO4	10																																																
5.	Discuss in detail the concept, merits and demerits of preparing cash flow statement.	BL2	CLO4	10																																																
Section C: Long Answer Type Questions/Case Study Attempt any 01 out of 03 questions.		BL	CLO	Marks (20)																																																
1.	“Investor considers financial statement a prerequisite to understand the financial performance.” In the light of the above statement discuss in detail the types, uses and importance of financial statements.	BL2	CLO1	20																																																
2.	From the following Balances of M/s Pawan Sales on 31/3/2018, prepare a Trading and Profit & Loss Account and a Balance Sheet as on that date. <table border="1" data-bbox="172 734 1157 1227"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>Particulars</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Drawings</td> <td>8000</td> <td>Sales</td> <td>258000</td> </tr> <tr> <td>Capital</td> <td>48000</td> <td>Return Inwards</td> <td>2000</td> </tr> <tr> <td>Sundry Creditors</td> <td>80000</td> <td>Return Outwards</td> <td>2200</td> </tr> <tr> <td>Sundry Debtors</td> <td>126000</td> <td>Office Salaries</td> <td>18000</td> </tr> <tr> <td>Bills Receivable</td> <td>10000</td> <td>Manufacturing Wages</td> <td>8000</td> </tr> <tr> <td>Opening Stock</td> <td>90000</td> <td>Commission</td> <td>9000</td> </tr> <tr> <td>Fixture and Fittings</td> <td>13000</td> <td>Trade Expenses</td> <td>5000</td> </tr> <tr> <td>Cash in hand</td> <td>2000</td> <td>Rent</td> <td>4400</td> </tr> <tr> <td>Machinery</td> <td>24800</td> <td>Discount Received</td> <td>8000</td> </tr> <tr> <td>Bank Overdraft</td> <td>10000</td> <td>Bills Payable</td> <td>14000</td> </tr> <tr> <td>Purchases</td> <td>100000</td> <td></td> <td></td> </tr> </tbody> </table> <p>The closing stock on 31.3.2018 was Rs 1,04,000</p>	Particulars	Rs.	Particulars	Rs.	Drawings	8000	Sales	258000	Capital	48000	Return Inwards	2000	Sundry Creditors	80000	Return Outwards	2200	Sundry Debtors	126000	Office Salaries	18000	Bills Receivable	10000	Manufacturing Wages	8000	Opening Stock	90000	Commission	9000	Fixture and Fittings	13000	Trade Expenses	5000	Cash in hand	2000	Rent	4400	Machinery	24800	Discount Received	8000	Bank Overdraft	10000	Bills Payable	14000	Purchases	100000			BL3	CLO4	20
Particulars	Rs.	Particulars	Rs.																																																	
Drawings	8000	Sales	258000																																																	
Capital	48000	Return Inwards	2000																																																	
Sundry Creditors	80000	Return Outwards	2200																																																	
Sundry Debtors	126000	Office Salaries	18000																																																	
Bills Receivable	10000	Manufacturing Wages	8000																																																	
Opening Stock	90000	Commission	9000																																																	
Fixture and Fittings	13000	Trade Expenses	5000																																																	
Cash in hand	2000	Rent	4400																																																	
Machinery	24800	Discount Received	8000																																																	
Bank Overdraft	10000	Bills Payable	14000																																																	
Purchases	100000																																																			
3.	M/s. Bharat and sons purchased a machine on 1 Apr 2015 for ₹400000 from ABC & Co. and paid ₹100000 on its installation. The useful life of the machine is 3 years and its estimated residual value is ₹40000. On 31st March 2018, M/s. Bharat and sons sell the machinery for 250000. Charge depreciation as per the W.D.V. method @10 % p. a. Prepare machinery accounts in the books of Anil for the year ending 31st December every year. Also explain the relevance of trend analysis from the view point of a manufacturing concern.	BL3	CLO2	20																																																