



(Following Paper ID and Roll No. to be filled in your Answer Book)

**PAPER ID : 293201**

Roll No.

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**MAM**

(SEM. II) THEORY EXAMINATION, 2014-15  
**FINANCIAL ACCOUNTING**

Time : 3 Hours]

[Total Marks : 100

**SECTION A**

**1** Answer any four of the following : **10×4**

- (a) Explain the concept of Financial Accounting.
- (b) What do you mean by trial balance? Explain the objective of trial balance. Discuss the errors which are not disclosed by the trial balance.
- (c) Explain the financial statement. Discuss the nature and limitation of Financial statement.
- (d) How is funds flow statement prepared? Give a proforma of schedule of changes in working capital and Fund flow statement.

- (e) The following trial balance is taken from the books of M/S R.M. Traders as on 31<sup>st</sup> March 2013 :

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
Opening stock	30,000	Capital	1,60,000
Purchases	1,64,000	Creditors	20,000
Return inward	4,000	Sales	2,40,000
Freight and duty	4,000	Return Outwards	2,000
Carriage outward	1,000	Discount	800
Rent and Taxes	9,200	Commission	1,600
Printing and stationery	1,600	Sundry Income	2,400
Trade expenses	800		
Postage	1,600		
Insurance premium	1,400		
Salaries	42,600		
Cash in hand	12,400		
Cash at Bank	41,000		
Plant and machinery	52,000		
Sundry Debtors	41,200		
Furniture and fixtures	20,000		

The following adjustments are to be made :

- (1) Closing stock Rs 36,000.
- (2) Provide 10% Depreciation on Plant and Machinery and Furniture and fixtures.
- (3) Provide for bad debts at 5%.
- (4) Outstanding Rent and rates Rs 2,800.

Prepare a Trading and Profit and Loss A/c for the year ended 31<sup>st</sup> March 2013 and Balance Sheet.

## SECTION B

Attempt all the question. All questions carry equal marks

**2** Attempt any two questions : **2×6**

- (a) Journalise the following Transactions:
- (i) Goods worth Rs 2,000 were given as charity out of business.
  - (ii) Received Rs 2875 from Hari Krishan in full settlement of his account of Rs 3,000.
  - (iii) Paid Rs 800 as wages on installation of machine.
  - (iv) Goods sold costing Rs 50,000 to M/s XYZ Co. at invoice price 20% above cost less 10% trade discount.
  - (v) Goods costing Rs 400 issued as samples.
- (b) Explain the conventions of Accounting.
- (c) Discuss the interested parties of Accounting.

**3** Attempt any two questions : **2×6**

- (a) Differentiate between revenue expenditure and capital expenditure.
- (b) Explain the rules of Personal Account, Real account and Nominal account.
- (c) Discuss the different types of subsidiary books.

- 4** Attempt any two questions **2×6**
- (a) Write a short note on common size statement.
  - (b) State the meaning of horizontal and vertical analysis.
  - (c) Write a note on comparative statement.
- 5** Attempt any two questions : **2×6**
- (a) "Ratios are meaningless if detached from the detail from which they were derive". Comment and bring out the limitations of ratio analysis.\
  - (b) What is a fund flow statement? How it is differ from cash flow statement?
  - (c) How is cash flow statement prepared? Give a format.
- 6** Attempt any two questions : **2×6**
- (a) Explain the different methods of valuating the goodwill.
  - (b) Explain the different techniques used by inventory management.
  - (c) What do you mean by shares? Explain the types of shares .
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