PG Odd Semester (CBCS) Exam. December, 2022

Business Administration

(1st Semester)

Course No: CP-103 (N)

(Financial Accounting and Analysis)

Full Marks: 70
Pass Marks : 28

Time: 3 hours

The figures in the right margin indicate full marks for the question.

1. (a) Explain dual aspects concept with example. 4

   (b) Distinguish between cash book and ledger. 5

   (c) Prepare cash book, other ledger and Trial Balance with the help of the following transactions-

   (i) 01-05-2022 M/S Smart Enterprise started business with cash ₹50,000/-, and money at Bank ₹4,50,000/-

   (ii) 01-05-2022 purchased furniture for ₹15,000/- and computer for ₹45,000/-

   (iii) Purchased goods for ₹2,00,000/- on credit from Mr. Tapan 03.05.2022

   (iv) Sold goods for cash ₹25,000 and on credit for ₹1,55,000/- to Mr. Bapan on 08.05.2022

   (v) 30.05.2022, paid salary ₹17,000/-; Rent ₹15,000/-, insurance premium ₹7,000/-

Or

2. (a) Write notes on Indian Accounting Standard. 5

   (b) Discuss GAAP and the constituents of GAAP. 4

   (c) Discuss the utility of Tally software. Discuss the different steps for entering vouchers in the Tally software. 2+3=5

3. M/S Exal Ltd. purchased 3 machines on 01.08.2018 for ₹7,00,000/-, ₹4,00,000/- and ₹12,00,000/- respectively. Depreciation was charged @25% on WDV method. On 02.09.2022, the first machine was sold for ₹2,10,000/- and a new machine was purchased for ₹10,00,000/- on credit from M/S Core Ltd. Prepare machinery account and depreciation account upto 31.03.2023. 14

Or

4. (a) Discuss the advantages and disadvantages of FIFO method. 3

   (b) With the help of the following, prepare store ledger under weighted average method. 11

   (i) 01.09.2022 Balance of materials 500 units @ ₹10/- p.u.

   (ii) 03.09.2022 received materials 600 units @ ₹12/- p.u.

   (iii) 08.09.2022 issued 700 units of materials.

   (iv) 12.09.2022 issued 200 units of materials

   (v) 18.09.2022 material received 600 units @ ₹14/- p.u

   (vi) 20.09.2022 material issued 600 units

7.

Liabilities	**31.3.2021 ₹**	**31.3.2022 ₹**	**Assets**	**31.3.2021 ₹**	**31.3.2022 ₹**
Equity Share capital	3,00,000	4,00,000	Goodwills	1,15,000	90,000
Preference share	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General reserve	40,000	70,000	Plants	80,000	2,00,000
Profit and Loss A/c	30,000	48,000	Debtors	77,000	1,09,000
Proposed dividend	42,000	50,000	Stock	1,60,000	2,00,000
Creditors	55,000	83,000	Bills receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for taxation	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	**8,17,000**		**6,77,000**	**8,17,000**

Please prepare :

(i) Comparative Balance Sheet 7+7=14

(ii) Common Size Balance Sheet

8. (a) Explain Responsibility centres along with the importance of each of them. 6

   (b) Explain the importance and limitations of cost plus method. 4

   (c) Distinguish betwen responsibility Accounting and Inflation Accounting. 4

*****

(vii) 23.09.2022 materials received 600 units @ ₹ 12/- p.u.

(viii) Materials issued 400 units on the same date.

(ix) On inspection it was found that there is a shortage of 50 units of materials on 25.09.2022

(x) On 30.09.2022 100 units of defective materials returned from factory.

(xi) On 30.09.2022 defective materials returned to the suppliers.

5. From the following balances taken from the Book of XYZ Ltd. on 31.03.2022, prepare Balance Sheet and Statement of Profit and Loss as per Company Act 2023. 8+6=14

Debit Balances	**Amount** ₹	**Credit Balances**	**Amount** ₹
Purchases	5,01,000	Equity share capital	6,00,000
Salary & Wages	3,59,000	(Fully paid share of ₹10%	
Repairs to building	27,000	General Reserve	2,50,000
Miscellaneous Exp.	31,000	Unclaimed dividend	6,500
Machinery at cost	3,50,000	Trade Payable	36,900
Motor vehicle at cost	30,000	Sales	10,83,900
Furniture at cost	5,000	Provision for depreciation	71,000
Opening stock in-trade	1,72,000	Interest on investment	8,600
Trade receivables	2,23,300	Surplus in the statement of profit	
Longterm investment	2,89,000	and loss A/c on	
Cash & Bank	1,24,000	01.04.2021	54,400
	21,11,300		**21,11,300**

Additionl information :

1. Stock in trade 31.03.2022 is ₹1,48,000/-
2. Provide ₹10,000 for depreciation on fixed assets.
3. Provide for income Tax @25%
4. Interest accrued on investment ₹2,750
5. Proposed final dividend is @8% after transferring to general reserve ₹30,000/-
6. Workmen's compensation for ₹2,500 is disputed.

6. (a) Write a note on Du-Pont Analysis. 6

(b) Following ratios are related to ABC Ltd.

Debtors Velocity	3 months
Creditors Velocity	2 months
Stock Velocity	8 months
Gross profit ratio	25%

Gross profit for the year ended 31.03.2022 is ₹4,00,000/-. Closing stock is ₹10,000/- more than the opening stock. Bills receivable is ₹25,000/- and bills payable is ₹10,000/-. Assume all sales and purchases are on credit.

Find out :

(i) Sales for the year

(ii) Sundry debtors

(iii) Closing stock

(iv) Sundry creditors 2x4=8

Or