

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (PM) – SEMESTER –(6) EXAMINATION – WINTER 2016

Subject Code: 4360201

Date: 06/12/2016

Subject Name: Financial Accounting

Time: 02:30 pm to 05:30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (a)** With the help of following trial balance of M/s. ABC, Prepare trading account, profit & loss account & Balance sheet for the year 2015 **07**

Trial Balance as on 31st March 15

Particulars	Debit Rs.	Particulars	Credit Rs.
Land	1,00,000	Capital	6,00,000
Building	35,000	Purchase Return	20,000
Plant & Machinery	45,000	Sales	15,80,000
Furniture	50,000		
Computers	25,000		
Motor van	60,000		
Salaries	50,000		
Advertisement	60,000		
Carriage outward	20,000		
Sales Return	5,000		
Opening stock	2,75,000		
Purchase	12,65,000		
Wages	1,20,000		
Carriage outward	35,000		
Other Purchase expenses	55,000		
	22,00,000		22,00,000

Additional information:

1. Closing stock as on 31st March 2015 was valued Rs. 3,00,000
2. Provide depreciation as per details given below:
 Building 5% per annum, Plant & Machinery 10% per annum, Furniture 10% per annum, computers 30% per annum & motor van 20% per annum.

- (b)** What is Accounting? Explain the functions of Accounting. **07**

- Q.2 (a)** Explain the following accounting term: **07**

1. Capital & Drawing
2. Cash discount & Trade Discount
3. Fixed Assets & Current Assets
4. Long term liabilities & Current liabilities
5. Capital Expenditure & Revenue Expenditure
6. Capital Income & Revenue Income

- (b)** What is a Trial Balance? State the objectives of preparing Trial Balance **07**

OR

(b) Briefly explain basic Accounting Concepts and Conventions. 07

Q.3 (a) On April 1, 2006 ABC Ltd. Purchased a secondhand machine for Rs. 1,60,000 & spent Rs. 40,000 on its installation. The residual value at the end of its expected useful life of 4 years is estimated at Rs. 80,000. on September 30, 2008. this machine is sold for Rs. 1,00,000. Depreciation is to be provided according to SLM. Calculate Profit/ loss on the sale of machine & Prepare Machine account. 07

(b) What is Depreciation? Briefly explain the different methods of depreciation. 07

OR

Q.3 (a) A machine is purchased for Rs. 5,00,000. 5 % trade discount is received. Initial delivery & handling cost is Rs. 1000, stamp duty paid Rs. 1,200. commission paid Rs. 2000 & Rs. 1500 is paid to the engineer for the installation. After the starting of the production because of some problem the repair charges of Rs. 500 paid. Calculate the value of machine. 07

(b) What are the causes of depreciation? Why do firms provide depreciation? 07

Q.4 (a) With the help of following data calculate the value of ending inventory & cost of goods sold as per perpetual system & periodic system under Weighted Average Method: 07

Date	Transactions	Units	Per unit Price
1	Opening balance brought forward	100	10
2	Purchases	400	15
3	Sale	300	18
4	Purchases	500	20
5	Sale	400	19

(b) Write short note on Valuation of Assets Under Finance Lease AS-19. 07

OR

Q.4 (a) With the help of following data calculate the value of ending inventory, cost of goods sold & Gross profit under FIFO method: 07

Date	Transactions	Units	Per unit Price
1	Opening balance brought forward	200	5
2	Purchases	300	6
3	Sale	300	8
4	Purchases	600	7
5	Sale	300	8

(b) What does AS-26- Intangible Assets and Their Amortization explain? 07

Q.5 (a) What is the managerial need of a Cash Flow Statement? Discuss in brief importance of Cash Flow Statement. 07

(b) Draw the format of Corporate Profit and Loss Account with hypothetical figure. 07

OR

Q.5 (a) Write a short note on Cash flow Statement and also draw its Performa. 07

(b) Draw the format of Vertical Balance Sheet with hypothetical figure. 07
