



First Semester MBA Degree Examination, Dec.2024/Jan.2025

Financial Accounting and Reporting

Max. Marks: 100

Notes: 1. Answer any FOUR full questions from Q.No. 1 to Q.No. 7

2. Question No. 8 is compulsory.

3. M: Marks, L: Bloom's level, C: Course outcomes.

| | | | M | L | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------|--------|--|-------------|----|-------------|---|---------------|-------|---------------------|------|-------|-------|-------------|------|-------|--------|----------|------|-----------|------|-----------|------|-----------|------|---------|-------|-----------|-------|----------------|-----|---------|------|-----------------|------|----------|------|------------------|-----|------------|------|---------|------|---------|-------|----------|-------|--------------------|------|--------------|------|--------------|-----|---------------|------|--|--|--|
| Q.1 | a. | Explain the term accounting? | 3 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | From the following list of balances, prepare a trial balance as on 30.03.2024 | 7 | L3 | CO3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <table><tr><th>Particulars</th><th>₹</th><th>Particulars</th><th>₹</th></tr><tr><td>Opening stock</td><td>18000</td><td>Plant and machinery</td><td>7500</td></tr><tr><td>Wages</td><td>10000</td><td>Loose tools</td><td>1800</td></tr><tr><td>Sales</td><td>120000</td><td>Lighting</td><td>2300</td></tr><tr><td>Bank loan</td><td>4400</td><td>Creditors</td><td>8000</td></tr><tr><td>Furniture</td><td>3000</td><td>Capital</td><td>40000</td></tr><tr><td>Purchases</td><td>75000</td><td>Misc. receipts</td><td>600</td></tr><tr><td>Repairs</td><td>2000</td><td>Office salaries</td><td>2500</td></tr><tr><td>Carriage</td><td>1500</td><td>Office furniture</td><td>600</td></tr><tr><td>Income Tax</td><td>1500</td><td>Patents</td><td>1000</td></tr><tr><td>Debtors</td><td>20000</td><td>Goodwill</td><td>15000</td></tr><tr><td>Leasehold premises</td><td>6000</td><td>Cash at bank</td><td>5100</td></tr><tr><td>Cash in hand</td><td>200</td><td>Closing stock</td><td>6000</td></tr></table> | Particulars | ₹ | Particulars | ₹ | Opening stock | 18000 | Plant and machinery | 7500 | Wages | 10000 | Loose tools | 1800 | Sales | 120000 | Lighting | 2300 | Bank loan | 4400 | Creditors | 8000 | Furniture | 3000 | Capital | 40000 | Purchases | 75000 | Misc. receipts | 600 | Repairs | 2000 | Office salaries | 2500 | Carriage | 1500 | Office furniture | 600 | Income Tax | 1500 | Patents | 1000 | Debtors | 20000 | Goodwill | 15000 | Leasehold premises | 6000 | Cash at bank | 5100 | Cash in hand | 200 | Closing stock | 6000 | | | |
| Particulars | ₹ | Particulars | ₹ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening stock | 18000 | Plant and machinery | 7500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | 10000 | Loose tools | 1800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales | 120000 | Lighting | 2300 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank loan | 4400 | Creditors | 8000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Furniture | 3000 | Capital | 40000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Purchases | 75000 | Misc. receipts | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Repairs | 2000 | Office salaries | 2500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Carriage | 1500 | Office furniture | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income Tax | 1500 | Patents | 1000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debtors | 20000 | Goodwill | 15000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leasehold premises | 6000 | Cash at bank | 5100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash in hand | 200 | Closing stock | 6000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | Journalize the following transactions in the books of Mr. Manikeshwar. 1- 2020 March 1 commenced business with the following: Cash 60,000 Goods 55,000 Building 45,000 2- March 2 Deposited into bank 36,000 3- March 3 bought goods from Spoorti traders 9,000 4- March 4 Sold goods to Vijay 6,000 5- March 6 Returned goods to Spoorti traders 600 6- March 7 Vijay returned goods 300 7- March 9 purchased office furniture 1,500 8- March 14 Received cheque from Vijay 3600 & paid into bank 9- March 17 Received commission 750 10- March 19 paid loan to Mr. Ramesh by cheque 15000 | 10 | L3 | CO3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.2 | a. | Explain in brief Ledger | 3 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Explain in brief reasons for differences in the balances of cash book and bank pass book. | 7 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | c. | Show the accounting equation in the name of Ganesh & company of the transaction of his business are given below: 1) Commenced business with a capital Rs. 100000 2) Bought goods on credit from Rajesh Rs. 80000 3) Bought furniture for cash Rs. 10000 4) Sold goods for cash Rs. 40000 5) Paid to Rajesh Rs. 40000 6) Paid shop rent Rs. 10000 7) Paid Salary Rs. 5000 8) Sold good on credit to Mohan Rs. 5000 | 10 | L3 | CO4 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|------------|---|-------------|------------|------------|-------|---------|---------|--------------------|---------|---------|--------------------|---------|-------|-----------------|--------|-------|------------------|-------|-------|-----------------------|--------|--------|--------------------|--------|--------|-----------------|--|--|----|----|-----|
| Q.3 | a. | Explain in brief causes of depreciation. | 3 | L2 | CO3 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Explain in brief users of accountings. | 7 | L2 | CO2 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | Compile three column cash books of Mr. Sundar from the following transactions. Aug 01 Sundar started business with cash Rs. 200000 02 Deposited into bank Rs. 50000 04 Cash purchases Rs. 5000 05 Purchases by cheque Rs. 6000 06 Goods Sold to Nathan on credit Rs. 5000 08 Received cheque from Mano Rs. 490, discount allowed Rs. 10 10 Paid Carriage Rs. 1000 12 Withdrew from Bank for office use Rs. 10000 16 Paid to Sundari Rs. 4960, Discount allowed by her Rs. 40 20. Received a cheque for Rs. 4950 from Nathan in full settlement of his account, which is Deposited into bank. | 10 | L3 | CO3 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.4 | a. | Explain in brief Forensic Accounting. | 3 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Explain in brief accounting standards and IFRS. | 7 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | Following is the details of Y.K. Ltd as on 31-03-2019 & 31-03-2020 you are required to prepare the comparative income statement for the year ending 31-03-2019 & 31-03-2020. Comment on the financial position of the concern: <table border="1"> <thead> <tr> <th>Particulars</th><th>31-03-2019</th><th>31-03-2020</th></tr> </thead> <tbody> <tr> <td>Sales</td><td>7500000</td><td>8500000</td></tr> <tr> <td>Cost of Goods Sold</td><td>6000000</td><td>6500000</td></tr> <tr> <td>Operating Expenses</td><td>-225000</td><td>35000</td></tr> <tr> <td>Office Expenses</td><td>450000</td><td>15000</td></tr> <tr> <td>Selling Expenses</td><td>25000</td><td>42500</td></tr> <tr> <td>Distribution Expenses</td><td>125000</td><td>175000</td></tr> <tr> <td>Financial Expenses</td><td>100000</td><td>125000</td></tr> <tr> <td>Tax Rate is 35%</td><td></td><td></td></tr> </tbody> </table> | Particulars | 31-03-2019 | 31-03-2020 | Sales | 7500000 | 8500000 | Cost of Goods Sold | 6000000 | 6500000 | Operating Expenses | -225000 | 35000 | Office Expenses | 450000 | 15000 | Selling Expenses | 25000 | 42500 | Distribution Expenses | 125000 | 175000 | Financial Expenses | 100000 | 125000 | Tax Rate is 35% | | | 10 | L4 | CO4 |
| Particulars | 31-03-2019 | 31-03-2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales | 7500000 | 8500000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of Goods Sold | 6000000 | 6500000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Expenses | -225000 | 35000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Expenses | 450000 | 15000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Selling Expenses | 25000 | 42500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Distribution Expenses | 125000 | 175000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial Expenses | 100000 | 125000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax Rate is 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Q.5 | a. | Explain in brief Window dressing | 3 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|-----------|---|-------------|--------|--------|--------|---------------|-----------|--------------|-----------|------------------------------|--|-------|----------|--------------|----------|---------|----------|---------------|----------|------|----------|-----------|----------|--|--|----------|----------|--|--|--|-----------|--|-----------|----|----|-----|
| | b. | <p>You are required to prepare the machinery A/c in the books of Ananth for the year ending 31-12-2008 from the following information:</p> <p>1. Machine 'A' was purchased on 01.04.2006 for Rs. 40000</p> <p>2. Machine 'B' was purchased on 01.07.2007 for Rs. 30000</p> <p>3. Machine 'A' was sold on 30.09.2007 for Rs. 35000</p> <p>4. Machine 'C' was purchased on 30.09.2008 for Rs. 40000</p> <p>All the machines were depreciated at 10% on the reducing balance method.</p> | 7 | L3 | CO4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | <p>Using the following accounting variables, construct the balance sheet.</p> <p>Gross profit (20% of sales) 60000</p> <p>Shareholder's equity 50000</p> <p>Credit sales to total sales 80%</p> <p>Total assets turnover 3 times</p> <p>Stock turnover 8 times</p> <p>Average collection period 18 days</p> <p>(360 days in a year)</p> <p>Current ratio 1.6:1</p> <p>Long-term debt to equity. 40%.</p> | 10 | L4 | CO4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Q.6 | a. | Explain in brief Trend analysis. | 3 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Explain in brief Emerging Areas in Accounting. | 7 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | <p>Vivek presents to you the following Balance Sheet as on 31 December 2020.</p> <table><tr><th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr><tr><td>Share Capital</td><td>10,00,000</td><td>Fixed Assets</td><td>10,00,000</td></tr><tr><td>Equity shares of Rs. 10 each</td><td></td><td>Stock</td><td>4,00,000</td></tr><tr><td>Reserve fund</td><td>1,00,000</td><td>Debtors</td><td>3,00,000</td></tr><tr><td>7% Debentures</td><td>3,00,000</td><td>Cash</td><td>2,00,000</td></tr><tr><td>Overdraft</td><td>2,00,000</td><td></td><td></td></tr><tr><td>Creditor</td><td>3,00,000</td><td></td><td></td></tr><tr><td></td><td>19,00,000</td><td></td><td>19,00,000</td></tr></table> <p>Calculate: -1) Liquid Ratio</p> <p>2) Solvency Ratio</p> <p>3) Debt-Equity Ratio</p> <p>4) Stock Working Capital Ratio.</p> | Liabilities | Amount | Assets | Amount | Share Capital | 10,00,000 | Fixed Assets | 10,00,000 | Equity shares of Rs. 10 each | | Stock | 4,00,000 | Reserve fund | 1,00,000 | Debtors | 3,00,000 | 7% Debentures | 3,00,000 | Cash | 2,00,000 | Overdraft | 2,00,000 | | | Creditor | 3,00,000 | | | | 19,00,000 | | 19,00,000 | 10 | L3 | CO4 |
| Liabilities | Amount | Assets | Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share Capital | 10,00,000 | Fixed Assets | 10,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity shares of Rs. 10 each | | Stock | 4,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reserve fund | 1,00,000 | Debtors | 3,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7% Debentures | 3,00,000 | Cash | 2,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overdraft | 2,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Creditor | 3,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 19,00,000 | | 19,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.7 | a. | Explain in brief Contra entry. | 3 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Explain in brief methods of Human Resource Accounting. | 7 | L2 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | Explain in brief accounting concepts and conventions. | 10 | L2 | CO2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Compulsory Question

Q.8

From the following trail balance, Prepare Trading A/c, P & L and Balance sheet as on 31st March 2020. In vertical format.

20

L4

CO4

| Particulars | Debit (Rs.) | Credit (Rs.) |
|--------------------------------------|-------------|--------------|
| Capital | | 203000 |
| Drawing A/c | 15000 | |
| Land & Premises | 90000 | |
| Plant & Machinery | 40000 | |
| Loose Tools | 3000 | |
| Bills Receivable | 3000 | |
| Stock | 40000 | |
| Purchased materials | 51000 | |
| Wages | 20000 | |
| Carriage Inwards | 1000 | |
| Carriage Outwards | 500 | |
| Coap & Coke | 5000 | |
| Salaries | 5000 | |
| Rent, rates & Taxes | 2800 | |
| Discounts & Allowance | 1500 | |
| Bills Payable | | 3800 |
| Cash at national bank | 25000 | |
| Cash in hand | 400 | |
| Sundry Debtors | 45000 | |
| Repairs & Replacement | 1800 | |
| Sundry Creditors | | 40000 |
| Purchase Return | | 2650 |
| Prepaid Expenses work extensions A/c | 7500 | |
| Bad Debts | 1200 | |
| Advertisements | 500 | |
| Sales | | 115000 |
| Sales Returns | 2000 | |
| Gas & Water | 200 | |
| Oil & Grease & Waste | 600 | |
| Furniture & Fixtures | 1200 | |
| General Expenses | 800 | |
| Printing & Stationary | 450 | |

Additional Information:

Plant & Machinery at 5%, loose tools at 15% and furniture at 5%.
The stock onhand 31st march 2020 Rs. 60000 provide for 5% discount on sundry debtors and 5% for doubtful debts.

Rs. 1500 were due for wages and

Rs. 450 for salaries for the month of March 2020.

Rs. 200 Advance tax paid.

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CBCS SCHEME

USN

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MBA102

First Semester MBA Degree Examination, Dec. 2024/Jan.2025

Financial Accounting and Reporting

Time: 3 hrs.

Max. Marks: 100

Notes: 1. Answer any Four full questions from Q.No.1 to Q.No.7

2. Question No.8 is compulsory

3. M: Marks, L: Bloom's Level, C: Course Outcome

ANSWER KEY

| | | | M | L | C | | | | | | | | | | | | | | | |
|-----|---|--|---|-----------|----------|-----------|---|---|-------------------|-----------------------------|---|---------------------|-------------------------------------|---|---------|---|---|--|--|--|
| Q.1 | a. | Accounting is the process of recording financial transactions pertaining to a business or other large organization. | | | | | | | | | | | | | | | | | | |
| | b. | Solution: T/B Total = Rs.1,73,000 Hint: Closing stock is ignored to arrive at this balance. | | | | | | | | | | | | | | | | | | |
| | c. | Solution: Debit / Credit: Rs.232,750 | | | | | | | | | | | | | | | | | | |
| Q.2 | a. | A ledger is a fundamental accounting record where transactions are organized and summarized. | | | | | | | | | | | | | | | | | | |
| | b. | <table border="1"><thead><tr><th>Bases of Difference</th><th>Cash Book</th><th>Passbook</th></tr></thead><tbody><tr><td>Cash Book</td><td>Records all cash receipts (money coming in) and cash payments (money going out). It provides a record of a business's cash balance.</td><td>A bank record of a customer's account, showing deposits, withdrawals, and other transactions. It's a way for customers to track their bank account balance.</td></tr><tr><td>Who Maintains It?</td><td>Maintained by the business.</td><td>Maintained by the bank and given to the account holder.</td></tr><tr><td>Timing of Recording</td><td>Records transactions as they occur.</td><td>Records transactions as they are processed by the bank.</td></tr><tr><td>Entries</td><td>Records all cash transactions, including cash sales, cash purchases, and cash payments.</td><td>Records deposits, withdrawals, interest earned, and fees charged by the bank.</td></tr></tbody></table> | Bases of Difference | Cash Book | Passbook | Cash Book | Records all cash receipts (money coming in) and cash payments (money going out). It provides a record of a business's cash balance. | A bank record of a customer's account, showing deposits, withdrawals, and other transactions. It's a way for customers to track their bank account balance. | Who Maintains It? | Maintained by the business. | Maintained by the bank and given to the account holder. | Timing of Recording | Records transactions as they occur. | Records transactions as they are processed by the bank. | Entries | Records all cash transactions, including cash sales, cash purchases, and cash payments. | Records deposits, withdrawals, interest earned, and fees charged by the bank. | | | |
| | Bases of Difference | Cash Book | Passbook | | | | | | | | | | | | | | | | | |
| | Cash Book | Records all cash receipts (money coming in) and cash payments (money going out). It provides a record of a business's cash balance. | A bank record of a customer's account, showing deposits, withdrawals, and other transactions. It's a way for customers to track their bank account balance. | | | | | | | | | | | | | | | | | |
| | Who Maintains It? | Maintained by the business. | Maintained by the bank and given to the account holder. | | | | | | | | | | | | | | | | | |
| | Timing of Recording | Records transactions as they occur. | Records transactions as they are processed by the bank. | | | | | | | | | | | | | | | | | |
| | Entries | Records all cash transactions, including cash sales, cash purchases, and cash payments. | Records deposits, withdrawals, interest earned, and fees charged by the bank. | | | | | | | | | | | | | | | | | |
| c. | Solution: Accounting Equation Total = Rs.1,25,000 | | | | | | | | | | | | | | | | | | | |
| Q.3 | a. | These causes include wear and tear, obsolescence, passage of time, depletion, and abnormal factors like accidents. | | | | | | | | | | | | | | | | | | |
| | b. | Accounting information is used by a wide range of internal and external parties, including owners, managers, employees, lenders, investors, creditors, governments, and the general public, for various purposes like decision-making, investment, and regulation. | | | | | | | | | | | | | | | | | | |
| | c. | Solution: Aug 1: Capital introduced in cash. Aug 2: ₹5,000 cash deposited to bank – contra entry. Aug 4 & 5: Purchases in cash and by cheque. Aug 6: Credit sale to Nathan – not recorded in cash book. Aug 8: Received ₹490 cheque from Mani (₹10 discount allowed), banked. Aug 10: Paid carriage in cash. Aug 12: Withdrawn from bank for office use – contra entry. Aug 16: Paid ₹4,960 to Sundari (₹40 discount received), in cash. Aug 20: Received ₹4,950 cheque from Nathan (full settlement), deposited. | | | | | | | | | | | | | | | | | | |
| Q.4 | a. | Forensic accounting is a specialized area of accounting that combines accounting, auditing, and investigative techniques to examine financial records and transactions, often to detect and prevent fraud, misconduct, or other financial irregularities. | | | | | | | | | | | | | | | | | | |

| | b. | An accounting standard is a common set of principles, standards, and procedures that define the basis of financial accounting policies and practices. IFRS, or International Financial Reporting Standards, are a set of accounting standards used globally to ensure consistency and comparability in financial reporting. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|--|--|-------------|---|---|---|----------------------|--------|--------------|--------|----------------|--------|-------|--------|---------------------|--------|---------|--------|--|--|------|-------|-------|----------|-------|----------|--|--|--|
| | c. | Solution: <ul style="list-style-type: none">Sales increased by 13.33%, while COGS increased only by 8.33%, improving gross margin.A significant drop in operating expenses (especially office expenses) led to a sharp rise in Operating Profit.Net Profit After Tax rose by 238.99%, a strong performance indicator. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.5 | a. | Window dressing is a short-term strategy used in accounting to make financial statements and portfolios appear better and more enticing than they actually are. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Solution: <table border="1"><tr><td>Machine B (₹30,000 purchased on 01.07.2007): Depreciation for 2007 (6 months): ₹30,000 × 10% × 6/12 = ₹1,500 WDV on 31-12-2007: ₹30,000 - ₹1,500 = ₹28,500 Depreciation for 2008: ₹28,500 × 10% = ₹2,850 WDV on 31-12-2008: ₹25,650</td><td>Machine C (₹40,000 purchased on 30.09.2008): Depreciation for 2008 (3 months): ₹40,000 × 10% × 3/12 = ₹1,000 WDV on 31-12-2008: ₹39,000</td></tr></table> Machine B: ₹25,650 / Machine C: ₹39,000 / Total WDV = ₹64,650 | | Machine B (₹30,000 purchased on 01.07.2007): Depreciation for 2007 (6 months): ₹30,000 × 10% × 6/12 = ₹1,500 WDV on 31-12-2007: ₹30,000 - ₹1,500 = ₹28,500 Depreciation for 2008: ₹28,500 × 10% = ₹2,850 WDV on 31-12-2008: ₹25,650 | Machine C (₹40,000 purchased on 30.09.2008): Depreciation for 2008 (3 months): ₹40,000 × 10% × 3/12 = ₹1,000 WDV on 31-12-2008: ₹39,000 | | | | | | | | | | | | | | | | | | | | | | | | |
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| c. | Solution: <table border="1"><thead><tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr></thead><tbody><tr><td>Shareholder's Equity</td><td>50,000</td><td>Fixed Assets</td><td>52,000</td></tr><tr><td>Long-term Debt</td><td>20,000</td><td>Stock</td><td>30,000</td></tr><tr><td>Current Liabilities</td><td>30,000</td><td>Debtors</td><td>12,000</td></tr><tr><td></td><td></td><td>Bank</td><td>6,000</td></tr><tr><td>Total</td><td>1,00,000</td><td>Total</td><td>1,00,000</td></tr></tbody></table> | | Liabilities | ₹ | Assets | ₹ | Shareholder's Equity | 50,000 | Fixed Assets | 52,000 | Long-term Debt | 20,000 | Stock | 30,000 | Current Liabilities | 30,000 | Debtors | 12,000 | | | Bank | 6,000 | Total | 1,00,000 | Total | 1,00,000 | | | |
| Liabilities | ₹ | Assets | ₹ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shareholder's Equity | 50,000 | Fixed Assets | 52,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long-term Debt | 20,000 | Stock | 30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Liabilities | 30,000 | Debtors | 12,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bank | 6,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,00,000 | Total | 1,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.6 | a. | Trend analysis is a systematic process that uses statistical techniques to identify historical patterns and project future outcomes based on that data. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Emerging areas in accounting include the increasing use of technology, such as artificial intelligence (AI), automation, and cloud computing, as well as the rise of data analytics, cybersecurity, and blockchain technology. Additionally, sustainability, green accounting, and remote work are also becoming more prominent. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | Solution: Liquid Ratio= 1, Solvency Ratio=1, Debt-To-Equity Ratio=0.273, Stock Working Capital Ratio = 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.7 | a. | In accounting, a contra entry, or contra voucher, is a bookkeeping transaction that involves both a debit and a credit on the same side of the cash book. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | b. | Human Resource Accounting (HRA) methods aim to quantify the value of human resources within an organization. These methods can be broadly categorized into cost-based and value-based approaches, each utilizing different techniques to assess the worth of employees. The Present Value of Future Earnings Method <ol style="list-style-type: none">Replacement Cost MethodCost-Based MethodIncome-Based MethodMarket-Based Method | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | c. | Accounting Concepts: <ul style="list-style-type: none">Business entity conceptMoney measurement conceptGoing concern conceptAccounting period conceptAccounting cost conceptDual aspect conceptMatching conceptRealization conceptAccrual concept Accounting Conventions <ul style="list-style-type: none">ConsistencyFull DisclosureMateriality | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | |
|---------------------|--|--|--|--|--|
| | | <ul style="list-style-type: none"> Conservatism | | | |
| Compulsory Questing | | | | | |
| Q.8 | | Solution: Gross Profit b/d = Rs.56,550; Net Profit transferred to Capital A/C = Rs. 33,040; B/S Total = Rs. 2,66,790 | | | |