

PGDM (RM) , 2013-15
Financial & Managerial Accounting
RM-107
Trimester-1, End term Examination: September 2013

Time allowed: 2 Hrs. 30 Min

Max Marks 50

Roll No. _____

Instruction: Students are required to write Roll No. on every page of the question paper, writing anything except the Roll No. will be treated as **unfair means**. In case of rough work please use answer sheet.

Sections	No. of questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 marks each	3*5=15
B	2 out of 3 (Long Questions)	10 marks each	10*2=20
C	Compulsory Case Study	15 marks	15
		Total Marks	50

Section A

1. What are the financial books of account and order of posting of entries of a business ?
2. What is Accrual Accounting? Explain adjustment entries with examples.
3. What will be the closing entries for Bad Debts, Provision and Inventory for Final accounts
4. What are contingent Liabilities? Explain with examples.
5. What is a bill of exchange (BE)? What will be the journal entries connected with acceptance and payment of a usance Bills

Section B

1. Explain Bank Reconciliation Statement (BRS) and its relevance in Accounting. J & Co have 2 bank accounts with Dena Bank and Bank of India. Based on extract below of December postings prepare 2 BRS (all figures in Rs) if balance as per cashbook 5000 credit & 2250 debit for Dena Bank and Bol respectively :
 - o Deposit of 1500 with Dena Bank on 20.12 entered in Bank of India (Bol)
 - o Withdrawal of 500 from Dena Bank on 2.12 entered in Bank of India
 - o 2 cheques of 500 and 750 deposited in Dena Bank on 1.12.98 ; entered in Cash book in Bol. Cheques get dishonored and dishonor entries posted in Bol
 - o Cheques of 10,000 & 1000 issued on 29.12 on Dena Bank & Bol respectively not cashed till 31.12
 - o Charges of 10 & 25 charged by Dena Bank & Bol respectively; not in books
 - o Dena Bank has credited interest of 50 & Bol debited interest of 275; not in books
 - o Deposits of 5000 & 3500 in Dena bank & Bol resp. not credited by them on 31.12

2. What is difference between Cash Flow & Funds Flow? From following balances calculate cash flow from operations in 1998 end:

P.T.O.

Particulars	1997	1998
Debtors	50000	47000
Bills Receivable	10000	12500
Creditors	20000	25000
Bills Payable	8000	6000
Outstanding Expenses	1000	1200
Prepaid Expenses	800	700
Accrued Interest	600	750
Income received in advance	300	250
Profit		130000

3. What are the major classifications of Ratios? Explain use of ratios in Financial Analysis

Section C

From the following Trial Balance and additional information prepare the Final Accounts of G Ltd.:

G Ltd. Trial Balance as on 31.3.98

Particulars	Cr Amount Rs.	Particulars	Dr Amount Rs.
G's Capital	228800	Stock as on 1.4.97	38500
Interest	1100	Wages	35200
Return outwards	1100	Plant & Machinery	99000
Sundry Creditors	44000	Freehold Property	66000
Sales	231440	P&T	1540
Bills Payable	5500	Purchases	110000
Provision for Bad Debts	880	Insurance	1760
		Gas & Fuel	2970
		Bad Debts	660
		Rent	2860
		Freight	9900
		Loose Tools	2200
		Lighting	1100
		Furniture	5500
		S Debtors	29260
		Loan to Sri Krishna 10%pa	44000
		Cash	29260
		G's Drawings	13200
		Discounts	1320
		Salaries	13200
		Cash on hand	2640
		Office expenses	2750
	512820		512820

Adjustment entries: i) Closing stock on 31.3.98 Rs.72,600 ii) New installation of machine during the year of Rs.15,400 not accounted for & no payment made. Installation labor for new machine Rs.1100 debited to wages account iii) Depreciate Plant & Machinery by 33.33%, furniture 10% and property 5% iv) Loose Tools as on 31.3 valued @ Rs.1760 v) Of S. Debtors Rs.660 Bad Debts to be written off v) Provision on Bad Debts to be maintained @ 5%. vi) Manager gets commission of 10% on Net profit minus commission.