

**Q.1 Explain the following terminology.**

**(10x1=10)**

- |                         |                                  |
|-------------------------|----------------------------------|
| a) Balance Sheet.       | b) Trend Analysis.               |
| c) Debt Equity ratio.   | d) Authorised Share capital.     |
| e) Capital Expenditure  | f) Debenture                     |
| g) Forfeiture of share. | h) Deferred revenue expenditure. |
| i) Equity share         | j) Buyback of share.             |

**Q.2. Answer any two Questions**

**(2x5=10)**

- A) X Ltd. Supplies the following information for the accounting year 2017-18:  
 Total Sales = Rs.3,50,000  
 Returned Inward = Rs. 20,000  
 Stock at the beginning of the year = Rs. 40,000  
 Stock at the end of the year = Rs.26,000  
 Gross Profit for the year = 66,000  
 You are required to calculate: Inventory turnover ratio & Inventory conversion period.
- B) What is Financial Statement Analysis? What are the various techniques of Financial Statement Analysis?
- C) X Ltd. Made an issue of 1,00,000 equity shares of rs. 10 each, payable Rs. 2.50 on application, Rs.3.50 on allotment and Rs. 4 on call. All the shares are subscribed and amounts duly received. Pass the necessary journal entries of the company X Ltd.

**Q. 3. Answer any one Question.**

**(1x10=10)**

- A. From the following Trial Balance prepare a Trading and Profit and Loss Account for the Year 31<sup>st</sup> March 2018 and draw the Balance Sheet as on date :

Stock	Rs.6000
Purchase	Rs. 11,250
Sales	Rs.16,500
Cash in hand	Rs. 500
Cash at Bank	Rs. 1,600
Building	Rs. 10,000
Salaries	Rs.650
B/R	Rs. 500
B/P	Rs.600
Sundry Debtors	Rs 900
Carriage & Freight	Rs.250
Rent and Taxes	Rs 300
General Expenses	Rs. 275
Discount (Cr)	Rs 275
Insurance	Rs 150
Capital	Rs. 12,000
Sundry Creditors	Rs. 3,000

Value of Closing stock Rs. 4,000. Provide for depreciation on Building at 5% and interest on capital on at 5%

- B. Explain in detail the main division of share capital of a company.



# BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

1<sup>ST</sup> SEMESTER (BATCH 2018-20)

## CLASS TEST - II

### Financial Accounting and Analysis (18 MBA 107)

Total Marks : 30

Time: 1½ Hours

*(Answer as per the instruction given in each question)*

**Q.1 Explain the following terminology.**

**(10x1=10)**

- a. Authorised share capital
- b. Trend Analysis.
- c. EPS
- d. Debt-Equity ratio
- e. Capital gearing ratio.
- f. Capital Expenditure.
- g. Forfeiture of share.
- h. Buyback of share
- i. Debenture
- j. Calls-in-arrear

**Q.2. Answer any two Questions**

**(2x5=10)**

A. X Ltd. Supplies the following information for the accounting year 2016-17:

- i. Credit Sales = Rs.1,50,000
- ii. Cash Sales = Rs. 250,000
- iii. Return Inward = Rs. 25,000
- iv. Stock at the end of the year = Rs.35,000
- v. Opening stock = Rs.25,000

You are required to calculate i) Inventory Turnover Ratio when Gross profit Ratio is 20%,  
ii) Inventory Conversion period.

B. Explain briefly the various types of share capital.

C. X Ltd. Made an issue of 1,00,000 equity shares of Rs. 10 each, payable Rs. 2.50 on application, Rs.3.50 on allotment and Rs. 4 on call. All the shares are subscribed and amounts duly received. Pass the necessary journal entries of the company X Ltd.

**Q. 3. Answer any one Question.**

**(1x10=10)**

A. From the following Trial Balance prepare a Trading Account and Profit & Loss Account for the Year 31<sup>st</sup> March 2018 and draw the Balance Sheet as on date :

Drawings Rs.4500  
Capital Rs. 24,000  
Sales Rs 30,500  
Discount (Cr) Rs.1900  
Sundry Creditors Rs.10,000  
Bills Payable Rs. 2,500  
Purchase Rs 20,000  
Return Inwards Rs.1,500

Opening stock Rs. 8000  
Salary Rs 4200  
Wages Rs.1200  
Rent Rs 350  
Bad Debts Rs. 400  
Discount (Dr.) Rs700  
Sundry Debtors Rs.14,000  
Cash in Hand Rs.260  
Cash at Bank Rs. 5,940  
Insurance Rs. 400  
Trade Expenses Rs.300  
Printing Rs.150  
Furniture Rs.2000  
Machinery Rs.5000

**Adjustments:**

- a. Closing stocks was valued at Rs.7000
- b. Insurance was prepaid to the extent of Rs. 60
- c. Outstanding Salary Rs. 200, Outstanding Wages Rs.200
- d. Provision for doubtful debts at 5% on sundry debtors
- e. Interest on capital at 5% pa.
- f. Depreciate machinery at 5% and Furniture at 10%
- A. What is financial statement analysis? Explain briefly the various objectives and users of financial statement analysis.

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# BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

1<sup>ST</sup> SEMESTER (BATCH 2017-19)

CLASS TEST - II

## Financial Accounting and Analysis (MNG103)

Total Marks : 30

Time: 1½ Hours

**Q.1 Explain the following terminology.**

**[1x10=10]**

- A) Subsidiary book.
- B) Trend Analysis.
- C) Sweat Equity Share
- D) Debt-Equity ratio
- E) Capital gearing ratio.
- F) Trading on Equity
- G) Forfeiture of share.
- H) Buyback of share
- I) Debenture
- J) Du-Pont Control Chart.

**Q.2. Answer any two Questions (Short Type)**

**[5 x 2=10]**

- A) X Ltd. Supplies the following information for the accounting year 2015-16:
- |                              |               |
|------------------------------|---------------|
| Credit Sales                 | = Rs.1,50,000 |
| Cash Sales                   | = Rs. 250,000 |
| Return Inward                | = Rs. 25,000  |
| Stock at the end of the year | = Rs.35,000   |
| Opening stock                | = Rs.25,000   |
- You are required to calculate 1) Inventory Turnover Ratio when Gross profit Ratio is 20% ii) Inventory Conversion period.
- B) Explain briefly the various types of share capital.
- C) X Ltd. Made an issue of 1,00,000 equity shares of Rs. 10 each, payable Rs. 2.50 on application, Rs.3.50 on allotment and Rs. 4 on call. All the shares are subscribed and amounts duly received. Pass the necessary journal entries of the company X Ltd.

**Q. 3. Answer any one Question. (Long Type)**

**[10x1=10]**

- A. From the following Trial Balance prepare a Trading and Profit and Loss Account for the Year 31<sup>st</sup> March 2016 and draw the Balance Sheet as on date :
- |                  |            |
|------------------|------------|
| Drawings         | Rs.4500    |
| Capital          | Rs. 24,000 |
| Sales            | Rs 30,500  |
| Discount (Cr)    | Rs.1900    |
| Sundry Creditors | Rs.10,000  |

Bills Payable	Rs. 2,500
Purchase	Rs 20,000
Return Inwards	Rs.1,500
Opening stock	Rs. 8000
Salary	Rs 4200
Wages	Rs.1200
Rent	Rs 350
Bad Debts	Rs. 400
Discount	Rs700
Sundry Debtors	Rs.14,000
Cash in Hand	Rs.260
Cash at Bank	Rs. 5,940
Insurance	Rs. 400
Trade Expenses	Rs.300
Printing	Rs.150
Furniture	Rs.2000
Machinery	Rs.5000

**Adjustments:**

- a) Closing stocks was valued at Rs.7000
  - b) Insurance was prepaid to the extent of Rs. 60
  - c) Outstanding liabilities were: Salary Rs. 200, Wages Rs.200
  - d) Make provision for doubtful debts at 5% on sundry debtors
  - e) Calculate interest on capital at 5% pa.
  - f) Depreciate machinery at 5% and Furniture at 10%
  - g) Provide for discount on Creditors at 1%.
- B) The ratios relating to Ram Ltd. are given as follows :
- |                    |              |
|--------------------|--------------|
| Gross Profit Ratio | : 15 percent |
| Stock Velocity     | : 6 months   |
| Debtors Velocity   | : 3 months   |
| Creditors Velocity | : 3 months   |

Gross profit for the year ending 31<sup>st</sup> Dec 2015 amounts to rs. 6,00,000. Closing stock is equal to Opening stock.

Find out:

- a) Sales
- b) Closing Stock
- c) Sundry Debtors
- d) Sundry Creditors

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# BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

1<sup>ST</sup> SEMESTER (BATCH 2016-18)

## CLASS TEST - II Financial Accounting and Analysis (MNG103)

Total Marks : 30

Time: 1½ Hours

*(Answer as per the instruction given in each question)*

**Q.1 Explain the following terminology.**

**[1x10=10]**

- A) Balance Sheet.
- B) Trend Analysis.
- C) Debt Equity ratio.
- D) Authorised Share capital.
- E) Capital gearing ratio.
- F) Debenture
- G) Forfeiture of share.
- H) Trading on Equity.
- I) Equity share
- J) Du-Pont Control Chart.

**Q.2. Answer any two Questions (Short Type)**

**[5 x 2=10]**

A) X Ltd. Supplies the following information for the accounting year 2014-15:

Total Sales = Rs.3,50,000

Returned Inward = Rs. 20,000

Stock at the beginning of the year = Rs. 40,000

Stock at the end of the year = Rs.26,000

Gross Profit for the year = 66,000

You are required to calculate: Inventory turnover ratio & Inventory conversion period.

B) What is Financial Statement Analysis? What are the various techniques of FSA ?

C) X Ltd. Made an issue of 1,00,000 equity shares of Rs. 10 each, payable Rs. 2.50 on application, Rs.3.50 on allotment and Rs. 4 on call. All the shares are subscribed and amounts duly received. Pass the necessary journal entries of the company X Ltd.

**Q. 3. Answer any one Question. (Long Type)**

**[10x1=10]**

A. From the following Trial Balance prepare a Trading and Profit and Loss Account for the Year 31<sup>st</sup> March 2015 and draw the Balance Sheet as on date :

Stock	Rs.6000
Purchase	Rs. 11,250
Sales	Rs.16,500
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Building	Rs. 10,000

P.T.O.

Salaries	Rs.650
B/R	Rs. 500
B/P	Rs.600
Sundry Debtors	Rs 900
Carriage & Frieght	Rs.250
Rent and Taxes	Rs 300
General Expenses	Rs. 275
Discount (Cr)	Rs 275
Insurance	Rs 150
Capital	Rs. 12,000
Sundry Creditors	Rs. 3,000

Value of Closing stock in hand on 31<sup>st</sup> March was Rs. 4,000. Provide for depreciation on Building at 5% and interest on capital on at 5%

B) The ratios relating to Ram Ltd. are given as follows :

Gross Profit Ratio : 15 percent  
 Stock Velocity : 6 months  
 Debtors Velocity : 3 months  
 Creditors Velocity : 3 months

Gross profit for the year ending 31<sup>st</sup> Dec 2015 amounts to Rs. 6,00,000. Closing stock is equal to Opening stock.

Find out:

- Sales
- Closing Stock
- Sundry Debtors
- Sundry Creditors

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**Total Marks : 30**

**Time: 1½ Hours**

*(Answer as per the instruction given in each question)*

**I. Answer all the question :**

**[1 x 10=10]**

- What is equity share?
- What is the treatment of outstanding expenses in final accounts?
- What is convertible debenture?
- Name two features of preference share
- Define current ratio.
- What is operating profit?
- What is trend analysis?
- What is forfeiture of shares?
- What is vertical analysis?
- What do you mean by buy-back of shares?

**II. Answer any two of the following :**

**[5 x 2=10]**

- a) From the following balance sheet of MN Ltd., find out the short-term financial position ratios.

Liabilities	2009	Assets	2009
Share Cap.	74,000	Cash	7,800
Debentures	6,000	Debtors	17,700
Bills payables	800	Stock	42,700
Trade Creditors	11,840	Land	30,000
P & L A/C	10,560	Bills Receivables	5000
	<b>1,03,200</b>		<b>1,03,200</b>

- b) Write down the different types of share capital of the company?
- c) X Ltd. invited applications for 1,00,000 shares of Rs. 10.00 each, payable on application Rs. 2.50, on allotment Rs. 5 and on first and final call Rs. 2.50. The applications were received for 90,000 shares and all of these were accepted. All money due was received. Pass necessary journal entries.

**III. Answer the following :**

**[10 x 1=10]**

What is financial statement analysis and explain the methods of financial statement analysis?

OR

Prepare a final account of the following information:

Debit Balances:

Opening stock	1,700	Insurance	80	Furniture	500
Return inward	100	Cash	70	Bills receivables	170
Discount allowed	100	Cash at bank	1,820	Carriage inward	130
Purchase	3,000	Printing & Stationery	50	Rent & Taxes	110
Machinery	2,000	Debtors	3,800	Salaries	830

Credit balances:

Capital	3,810	Sales	5,850	Creditors	4,500
Returns outward	200	Bills payable	100		

Additional information:

- Depreciation on machinery and furniture @ 5%;
- Make a provision for doubtful debts at 2.5%
- Unexpired insurance Rs. 20;
- Salaries outstanding Rs. 50;
- Closing stock in hand Rs. 2,000