



CBCS SCHEME

MBA102

First Semester MBA Degree Examination, Dec.2025/Jan.2026

Financial Accounting and Reporting

Time: 3 hrs.

Max. Marks: 100

- Note:** 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.	What is an accounting cycle?		
	b.	Explain the Accounting concepts.		
	c.	Journalize the following transactions pertaining to April, 2024. Shri Sona started his business with cash Rs. 35,000 and furniture of Rs. 5,000 on 1st April 2009. April. 4 Paid cash into Bank Rs. 10,000 April. 6 Purchased furniture and issued a cheque Rs. 4,000. April. 8 Credit purchases from Ketan Rs. 20,000 less 5% trade discount. April. 14 Returned goods to Ketan Rs. 400 April. 19 Cash Sales Rs. 10,000 April. 27 Credit Sales to Natu Rs. 4,000 less trade discount 3% April.29 Natu returned goods of Rs. 196 April.30 Distributed goods of Rs. 4,000 as free samples and Sona used goods of Rs. 1,000 for personal use.		
Q.2	a.	What is GAAP?		
	b.	What is IFRS? State the objectives of IFRS.		
	c.	Show the accounting equation on the basis of the following transactions: 1. Y started business with cash Rs.90,000 2. Purchased goods on credit Rs. 50,000 3. Purchased furniture for cash Rs. 10,000 4. Sold goods costing Rs. 20,000 for Rs. 40,000 5. Sold goods costing Rs. 20,000 on credit for 42,000 6. Drawn for personal use Rs. 5000 7. Paid for rent Rs. 1000 8. Paid for salaried Rs. 3000 9. Paid to creditors Rs. 40,000 10. Received from debtors Rs. 12,000		
Q.3	a.	What is Window dressing?		
	b.	State the difference between Journal& Ledger.		
	c.	ABC Ltd. Purchased secondhand machinery on 1st April 2007 for Rs. 3,70,000 and installed it at a cost of Rs. 30,000. On 1st Oct. 2008 it purchased another machinery for Rs. 1,00,000 and on 1st Oct. 2009, it sold off the first machine purchased in 2007, for Rs. 2,80,000. On the same date it purchased a machinery for Rs. 2,50,000. On 1st Oct. 2010, the second machinery purchased for Rs. 1,00,000 was sold off for Rs. 20,000. In the beginning depreciation was provided on machinery at rate of 10%p.a. on the original cost each year on 31st March. From the year 2008-09, however, the company changed the method of providing depreciation and adopted the written down value method, the rate of depreciation being 15% prepare the Machinery D/C.		

Q.4	a.	What do you mean by Trial balance?	3	1	1																																																
	b.	Explain the tools and techniques of financial Statement Analysis.	7	1	2																																																
	c.	The following Trial Balance has been prepared wrongly. You are asked to prepare the trial balance correctly.	10	6	3																																																
<table border="1"> <thead> <tr> <th>Particulars</th> <th>Debit balance</th> <th>Credit balance</th> </tr> </thead> <tbody> <tr> <td>Cash in hand</td> <td>-</td> <td>2000</td> </tr> <tr> <td>Purchases returns</td> <td>4000</td> <td>-</td> </tr> <tr> <td>Wages</td> <td>8000</td> <td>-</td> </tr> <tr> <td>Establishment expenses</td> <td>12000</td> <td>-</td> </tr> <tr> <td>Capital</td> <td>22000</td> <td>-</td> </tr> <tr> <td>Carriage outward</td> <td>-</td> <td>2000</td> </tr> <tr> <td>Discount received</td> <td>1200</td> <td>-</td> </tr> <tr> <td>Commission earned</td> <td>800</td> <td>-</td> </tr> <tr> <td>Machinery</td> <td>-</td> <td>20000</td> </tr> <tr> <td>Stock</td> <td>-</td> <td>10000</td> </tr> <tr> <td>Creditors</td> <td>-</td> <td>12000</td> </tr> <tr> <td>Sales</td> <td>-</td> <td>28000</td> </tr> <tr> <td>Purchases</td> <td>28000</td> <td>-</td> </tr> <tr> <td>Bank overdraft</td> <td>14000</td> <td>-</td> </tr> <tr> <td>Total</td> <td>90,000</td> <td>74,000</td> </tr> </tbody> </table>			Particulars	Debit balance	Credit balance	Cash in hand	-	2000	Purchases returns	4000	-	Wages	8000	-	Establishment expenses	12000	-	Capital	22000	-	Carriage outward	-	2000	Discount received	1200	-	Commission earned	800	-	Machinery	-	20000	Stock	-	10000	Creditors	-	12000	Sales	-	28000	Purchases	28000	-	Bank overdraft	14000	-	Total	90,000	74,000			
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Q.5	a.	Calculate CA and CL if Working Capital is 50000 and CR = 3:1	3	1	1																																																
	b.	State the reasons in differences in the balances of cash book and bank pass book.	7	1	1																																																
	c.	Assume that a firms owner's equity is Rs.100000/- & the ratios of the firm are as follows. <ul style="list-style-type: none"> • Short term debt to total debt = 0.40 • Total debt to owners' equity = 0.60 • Fixed assets to owners' equity = 0.60 • Total assets turn over = 2 times • Inventory turnover = 8 times. From the above information, prepare balance sheet.	10	4	3																																																
Q.6	a.	What is Human Resource Accounting?	3	1	1																																																

- b. From the following calculate trend percentages (considering 2020 as base year)

Asset Category	2020 (Rs)	2021 (Rs)	2022 (Rs)
Cash	2,000	2,400	1,600
Debtors	4,000	5,000	6,500
Stock	6,000	8,000	7,000
Other Current Assets	4,500	6,000	7,500
Land	8,000	10,000	10,000
Buildings	16,000	20,000	24,000
Plant	20,000	20,000	24,000

- c. From the following information calculate cash from operating activities.

Particulars	2022	2023
Bills receivable	60000	57000
Debtors	20000	22500
Bills payable	30000	35000
Creditors	90000	70000
O/s expenses	20000	2200
Prepaid expenses	900	800
Accrued income	700	850
Income received in advance	900	350
Profit made during the year	-	80000

- Q.7 a. What is forensic accounting?

- b. Explain the Data Analytics & Forecasting Tools in accounting.

- c. Record the following transaction in three column cash book.

1/3/2020 opened a Bank account with capital Rs. 1, 00,000 & cash in hand Rs. 40,000. 3/3/2020 paid into Bank Rs. 10,000.
 5/3/2020 Bought Goods for Rs. 3,800 and paid by cheque.
 6/3/2020 Sold goods for cash Rs. 2,600 & deposited the same into the Bank.
 7/3/2020 Sold goods to Mr. X an account Rs. 10,000.
 10/3/2020 Paid Mr. A by cheque Rs. 240 receiving a discount of Rs.10.
 15/3/2020 Received a cheque from Mr. Vikas Rs.1080 and allowed him Discount Rs. 20.
 16/3/2020 Received a cheque from Mr. Santhosh Rs. 4000.

Compulsory Questions

Q.8 From the following Trial Balance and additional information prepare Profit and Loss Account for the year ended 31/03/2024 and Balance Sheet as on the date of Abhay Ltd.

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Trial Balance as on 31/03/2024

Particulars	Dr. Rs.	Cr. Rs.
Sundry Debtors	88000	
Capital		316300
Salaries	9000	
Commission	800	
Furniture	90000	
Creditors		81000
Dividend		4000
Machinery	156000	
Bad debts	2250	
Advertisement	1000	
Investments	38000	
Bills Payable		18000
Opening Stock (01/04/07)	32000	
Insurance	11000	
Drawings	17000	
Cash in hand	35000	
Cash at Bank	51000	
Interest		900
Purchases	134500	
Sales Returns	1800	
Wages	6500	
Bills Receivable	32000	
Purchase Return		2300
Sales		210000
Carriage Inward	2100	
Octroi	1500	
Bank Overdraft		76950
	709450	709450

Adjustments –

- 1) Closing Stock Rs.33,000/-.
- 2) Wages Outstanding Rs.2,000/-.
- 3) Insurance prepaid Rs.2,500/-.
- 4) Depreciate Machinery at the rate of 10% and Furniture 15%.
