

(6)

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Carriage	1,200
Wages	4,800
Fuel and Power	3,200
Closing Stock	8,000

(CO2)

(c) Case Study :

From the following information, prepare Profit & Loss Account of M/s. Sarthak Traders for the year ending on 31-3-2012 :

(CO2)

₹

Gross Profit	43,000
Discount allowed to customers	7,000
Salaries	45,000
Interest paid on loan	13,000
Postage	2,400
Discount received from creditors	6,000
Commission received	1,000
Sales expenses	10,000

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610

H

Roll No.

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M. B. A. (FIRST SEMESTER)

MID SEMESTER EXAMINATION, 2021-22
FINANCIAL REPORTING, STATEMENT AND
ANALYSIS

Time : 1 : 30 Hours

Maximum Marks : 50

Note : (i) This question paper contains two Sections.

(ii) Both Sections are compulsory.

Section—A

1. State True or False : (1×10=10)

(a) Revenue is reported on the income statement only if cash was received at the point of sale.

(b) Accounts payable and accounts receivable are reported on the income statement.

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- (c) Accounts payable, notes payable and wages payable are liability accounts.
- (d) Stockholders are creditors of a company.
- (e) The income statement equation is Expenses – Revenues = Net Income.
- (f) Total assets are \$ 70,000; total liabilities \$ 40,000 and contributed capital is \$ 20,000; therefore, retained earnings are \$ 15,000.
- (g) Assets are recorded at market value or replacement cost.
- (h) The accounting period in which service revenue is recognized (i.e., revenue for services rendered) is generally the period in which the cash is collected.
- (i) The entity concept considers the business and the proprietor as distinct from each other.
- (j) Since the life of the business is assumed to be indefinite, the financial statement of the business should be prepared only when it goes into liquidation.

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Section—B

(20×2=40)

Note : (i) Each question contains three parts (a),

(b) and (c).

- (ii) Attempt any *one* part of choice (a) or (b) from each question and part (c) is compulsory of each question.

2. (a) What do you understand by Financial Accounting ? Explain in detail the process of financial. (CO1)

OR

- (b) Enter the following transactions in the Journal of Manohar Lal & Sons : (CO1)

2019	₹
March	Manohar Lal & Sons
1	started business with cash 60,000
2	Purchased furniture for cash 10,000
4	Purchased goods for cash 25,000

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5	Bought goods from Kamlesh	15,000
10	Paid cash to Kamlesh	15,000
16	Purchased goods from Sohan	6,000
18	Purchased goods from Sohan for cash	8,000
20	Paid rent for the office	1,000

(c) Case Study :

(CO1)

Prepare Trial Balance of M/s. Multiplying Enterprise as on 31st December, 2014 :

Accounts	Balances (₹)
Cash in hand	2,500
Debtors	18,200
Cash at Bank	14,500
Creditors	16,600
Capital	70,000
Opening Stock	8,700
Drawings	9,000
Wages	6,700
Purchases	60,000

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Rent	5,000
Sales	82,000
Salary	8,400
Machinery	35,000
Bills Payable	11,400

3. (a) What do you understand by financial statement of a company ? Explain what statements are prepared under final accounts. (CO2)

OR

(b) From the following balances extracted from the books of M/s. Luxmi & Sons, prepare a Trading Account for the year ended 31st March, 2012 : (CO2)

Particulars	Amount (₹)
Opening Stock	6,500
Purchases	45,000
Sales	72,000
Purchases Returns	500
Sales Returns	1,500

P. T. O.