IIHMR UNIVERSITY

School of Development Studies

MBA Rural Management

Batch-06th (2017-2019) First Year

Financial Accounting

Term Examination

EXAMINATION CELL IIHMR

Time - 3 Hour **MM-70**

The question paper contains 2 printed page.

Q. 1. Pass the journal entries for the following transactions (15 marks)

Jan1. Sohan started business with cash Rs.40,000, goods Rs.20,000, furniture Rs.1,000

Jan 3. Sold goods to Vikram costing Rs.4,000 @ 10% above cost.

Jan4. Purchase Building Worth Rs. 1,00,000 .

Jan7. Bought Good Worth Rs. 5,000 from Ram and Received Cash Discount @ 5%.

Jan9. Purchase Goods from Raju worth Rs. 10,000.

Jan10. Salary paid to Mohan an Employee Rs. 2,000.

Jan11. Received a cheque form vikram and deposited to Bank.

Jan12. Returned goods of Rs.2,000 purchased from Raju.

Jan14. Goods sold for cash Rs. 50,000 and received sales Tax 10%

Jan15. Furniture worth Rs. 2,000 transfer to Ram Sohanl's House for the Decoration.

Jan16. Paid Outstanding Salaries for the December, 2008; Rs. 12,000.

Jan18. Cash deposited into bank Rs. 10,000.

Jan19. Rakesh purchased goods of Rs.5000 from us.

Jan20. Rakesh paid cash of Rs.2000

Jan22. Paid Life Insurance Premium Rs.2,000

Jan24. Charge Depreciation on Furniture @ 10%p.a. for three month (Furniture Rs. 7,200)

Jan26. Goods worth Rs.1,000 as Charity .

Jan27. Rakesh Paid 2,850 in full settlement .

Q. 2. Answer the following. Each question carries four marks. (10 Marks)

1. Give two examples of Current Assets
2. Give two examples of Long Term Assets
3. Give two examples of the sources of Funds in a Balance sheet.
4. Give two examples of Fixed Costs.
5. If the class life of an asset is 5 years and cost is Rs. 200000, what will be the depreciation?

Q. 3. Which of the following gives a highest return assuming an interest of 14% per annum? (10 Marks)

a) Rs. 100000 now
b) Rs. 200000 after six years
c) Rs. 15000 p a in perpetuity
d) Rs. 18000 per year for the next ten years

Q. 4. Write Short Notes on the following :- (Word limit – 40 words) (10 marks)

a) Going Concern Concept
b) Double Entry accounting system
c) Trading account
d) Ledger
e) Entity concept

Q. 5. If the cashflows to a project are Rs. 50000 per annum, the initial investment is Rs. 100000, the life of the project is 8 years and the required rate of return is 10%. Find NPV (10 marks)

Q. 6 Prepare a trading a/c, P&L a/c and balance sheet from the following trial balance (10 Marks)

Trial Balance as on 31.03.2010

Heads of Accounts	Dr.	Cr.
Opening Stock	15,000	—
Salary	2,400	
Purchase and Sales	80,000	1,20,000
Machinery	40,000	
Returns	4,000	5,000
Commission Received	—	6,000
Investments	10,000	—
Interest on Investment	—	1,200
Carriage on Purchase	3,000	—
Rent and Rates	4,000	—
Debtors and Creditors	22,800	15,700
Bills Receivable and Bills Payable	3,400	4,100
Cash-in-hand	6,400	—
Wages	18,600	—
Discount Allowed	5,200	—
Royalty Paid	12,000	—
Discount Received	—	6,000
Drawings and Capital	1,200	70,000
	2,28,000	**2,28,000**

Closing Stock was Rs. 15,250

EXAMINATION CELL IIHM