IIHMR UNIVERSITY

School of Development Studies

MBA Rural Management

Batch-8 (2019-2021)

Financial Accounting

Term Examination

1 Year

December 2019

EXAMINATION CELL IIHMR

Time - 3 Hour **MM-50**

The question paper contains __3__ printed page/s.

Q. 1. State whether True or False:(1*5 = 5 Marks)

a) Payments made for an owner's personal expenses are charged to owner's draws.

b) If liabilities equal 75,000 and owner's equity equals 25,000, then assets are 50,000.

c) An investment by the owner to his/her business will decrease owner's capital.

d) The normal balance for the owner's drawing account is a credit balance.

e) Supplies On Hand would be classified as an expense.

Q.2. Fill In the blanks : (1*4= 4 Marks)

a) The double entry bookkeeping system records at least one .... and one ------------ for each transaction.

b) The basic accounting equation, also referred to as the balance sheet equation is ---------------- = ---- ------------------- + -----------------------

c) The basis of accounting that records revenue when earned and expenses when incurred is called the ----------------- basis of accounting.

d) The basis of accounting that records revenue when cash is received and expenses when payments are made is called the -------------------- basis of accounting.

Q.3. How will you classify the following into personal, real and nominal accounts? (1*6= 6 Marks)

a) Cash

b) Depreciation

c) Prepaid Rent

d) Advertising

e) Brokerage Account

f) Ram

Q.4. State with reasons whether the following events are transactions or not to Mr. K. Mondal, Proprietor. (1*5 = 5 Marks)

a) Received a price list from Lalit.

b) Received interest from bank Rs. 500.

c) Appointed Sohan as Manager on a salary of Rs. 4,000 per month.

d) Received pass book from bank

e) Opened a Bank account by depositing Rs. 4,000.

Q.5. From the following Trial Balance of M/s Krishna Murthi Garments as on 31st March, 2006, you are required to prepare Trading Account, Profit and Loss A/c for the year ended 31st March, 2006 and a Balance sheet as on that date. (30 marks)

PARTICULARS	Dr Balances	Cr Balances
Cash in hand	2000	
Bank overdraft		35000
Stock (1.4.2005)	32000	
Purchases	80000	
Freight Inward	4000	
Custom duty	5500	
Power	6500	
Machines	40000	
Furniture	20000	
Sales		165000
Bills Payable		18000
Sundry Debtors	28000	
Sundry creditors		22000
Salaries	6500	
Salesmen's commission	7800	
Rent of Godown	7200	
Insurance	2400	
Land & Building	75000	

Carriage on sales	3600	
Advertisement	4500	
Capital		100000
Drawings	15000	
TOTAL	**340000**	**340000**
Closing Stock is Rs 38000		