

**VPM's
DR VN BRIMS, Thane
Programme: MMS (2021-23)
First Semester Examination April 2022**

Course Name	Financial Accounting	Course Code	C102
Roll No.		Marks	60
Total No. of Questions	6	Duration	3 Hours
Total No. of printed pages	5	Date	04.04.2022

CO: Course Outcome Statements:

CO1. RECALL basic terminologies in relation to financial accounting

CO2. Explain the GAAP IFRS Accounting standards rules, principles concepts & formats related to Financial Accounting

CO3. Make use of rules, GAAP accounting cycle and frameworks related to financial accounting for writing Journal Entries, trial balance, Ledgers, Income statement Cost sheet & Balance sheet Examine various types of capital revenue expenditures and receipts, Gross block, net block, Current assets, Current liabilities, Gross profits operating profits and PAT

CO4. Analyse financial data from financial statements of different years for drawing inferences

CO5. Evaluate financial data from financial statements of two years to take appropriate decisions related to cash and cash equivalents, profits, Cash flows and Fund flows and Prepare balance sheet, income and expenditure statements and create cash flow and fund flow statements Cost sheets of various companies under different financial constraints

Instructions: -

Q. No 1 (All Questions are Compulsory)

Q1) Suzlon Group is among the world's leading renewable energy solutions provider that is revolutionizing and redefining the way sustainable energy sources are harnessed across the world. Presence in 17 countries across Asia, Australia, Europe, Africa and the Americas, Suzlon is powering a greener tomorrow with its strong competencies in renewable energy systems. Suzlon's extensive range of robust and reliable products backed by its cutting-edge R&D and more than two decades of expertise are designed to ensure optimum performance, higher yields and maximum return on investment for the customers.

Suzlon Company

-in Rs.Cr.

	31st March 2021	31 March 2020	31 March 2019	31 st March 2018	31st March 2017
EQUITIES AND LIABILITIES	12 mths	12 mths	12 mths	12 mths	12 mth
Equity Share Capital	1004.88	1004.1	741.54	497.63	355.47
Total Share Capital	1004.88	1004.1	741.54	497.63	355.47
Reserves and Surplus	17.59	-388.92	-2404.66	2166.33	1921.19
Total Reserves and Surplus	17.59	-388.92	-2404.66	2166.33	1921.19
Total Shareholders' Funds	1022.47	615.18	-1663.12	2663.96	2276.66
Equity Share Application Money	0	0	1800	162.02	581.67
Long Term Borrowings	4038.54	4173.31	5592.12	6119.45	6164.01
Other Long-Term Liabilities	241.61	135.01	85.49	15.7	10
Long Term Provisions	58.27	116.06	121.86	139.34	233.61
Total Non-Current liabilities	4338.42	4424.38	5799.47	6274.49	6407.62
Short Term Borrowings	1975.7	1393.13	3427.96	2215.78	1543.35
Trade Payables	4654.64	2847.88	2747.58	3401.03	3168.46
Other Current Liabilities	1547.88	1481.87	3207.53	3331.24	3055.8
Short Term Provisions	686.92	384.52	434.78	562.82	428.9

Total Current Liabilities	8865.14	6107.4	9817.85	9510.87	8196.51
Total Capital and Liabilities	14226.03	11146.96	15754.2	18611.34	17462.46
Tangible Assets	926.15	479.29	503.91	594.72	759.56
Intangible Assets	829.24	250.23	83.84	124.4	188.79
Capital Work in Progress	72.73	164.07	19.83	15.71	38.38
Intangible Assets Under Development	55.53	0	0	0	0
Other Assets	34.14	0	0	0	0
Fixed Assets	1917.79	893.59	607.58	734.83	986.73
Non-Current Investments	3166.77	2572.04	2501.54	7730.07	8136.05
Long Term Loans and Advances	1129.24	748.47	1580.55	3139.24	2534.46
Other Non-Current Assets	686.81	668.97	404.97	260.11	300.21
Total Non-Current Assets	6900.61	4883.07	5094.64	11864.25	11957.45
Current Investments	481.1	154.3	250	0	416.93
Inventories	2275.87	1124.64	610.92	740.99	1542.06
Trade Receivables	2306.88	1759.57	1580.35	1547.88	1586.25
Cash And Cash Equivalents	153.38	88.38	67.47	60.57	139.17
Short Term Loans and Advances	1786.63	1805.51	4082.48	1948.75	1552.14
Other Current Assets	321.56	1331.49	4068.34	2448.9	268.46
Total Current Assets	7325.42	6263.89	10659.56	6747.09	5505.01
Total Assets	14226.03	11146.96	15754.2	18611.34	17462.46

- a) Evaluate Balance sheets of Suzlon Ltd and assess financial health of the company as on 31st March 2021 visa vis 31st March 2020 using percentage increase/ decrease. [(Level 5) (CO5) (6 Marks)]
- b) Analyze data of Balance sheet of Suzlon with respect to following points (2017-2019) accounting period, Profitability position of three years, assets, liabilities and give the reasons of having high current assets in year 2019? [(Level 4) (CO4) (6 Marks)]

Q2) Answer Any one from the following.

- a) Assess whether the fund has increased or decreased during the year using 1) Schedule of changes in working capital 2) Adjusted Profit and loss account 3) A statement of Sources and application of funds [(Level 5) (CO5) (6 Marks)]

XYZ Ltd Publishers, Balance sheet as on 31st Dec 2021

Liabilities	2020	2021	Assets	2020	2021
Equity Share capital	10,00,000	8,00,000	Goodwill	10,000	5,000
9% Preference share capital	5,00,000	4,00,000	Land and Building	8,00,000	15,00,000
12% Debentures	7,00,000	5,00,000	Plant and machinery	15,00,000	10,00,000
General Reserve	3,00,000	2,00,000	Furniture	50,000	45,000
Profit and loss account	5,00,000	7,00,000	Investments	5,00,000	4,00,000
Share Premium	50,000	80,000	Stock	6,00,000	7,50,000
13% public deposits	8,00,000	12,00,000	Debtors	2,00,000	1,70,000
Creditors	80,000	1,00,000	Bills Receivable	80,000	90,000
Bills Payable	60,000	40,000	Accrued Income	10,000	6,000
Bank Overdraft	1,00,000	1,20,000	Prepaid expenses	-----	2000
Outstanding	3,000	1,000	Cash at Bank	3,00,000	1,50,000

expenses					
			Cash in hand	43,000	23,000
Total	40,93,000	41,41,000	Total	40,93,000	41,41,000

b) Decide the sound position of cash and cash equivalent by preparing cash flow statement by using below information: [(Level 5) (CO5) (6 Marks)]

Liabilities	2020 (Rs.)	2021 (Rs.)	Assets	2020 (Rs.)	2021 (Rs.)
Equity Share Capital	2,00,000	2,50,000	Goodwill	30,000	20,000
12% Preference Share Capital	50,000	40,000	Building	1,00,000	80,000
General Reserve	35,000	55,000	Plant	40,000	70,000
P&L A/c	15,000	17,000	Debtors	1,20,000	1,60,000
Creditors	23,000	5,000	Stock	18,000	20,000
			Cash	15,000	17,000
	3,23,000	3,67,000		3,23,000	3,67,000

Depreciation charged on Plant was Rs. 30,000 and on building Rs. 50,000

Q3) Answer Any one from the following. [(Level 4) (CO4)]

a) Compare the inventory valuation as per FIFO and LIFO Method and examine its impact on the profits of the company Opening Inventory is 8 Units at Rate of Rs. 10 at start of December and during the year the following were the purchases and sales of inventory: [(Level 4) (CO4) (6 Marks)]

Purchases	Sales
2/12/2021 6 Units @ Rs 12	15/12/2021 4 units @ Rs 22
22/12/2021 10 units @ Rs 16	31/12/2021 14 units @ Rs 25

b) From the following **examine and classify** with reasons, whether the following items are: capital expenses, revenue expenses, deferred revenue expenses, capital receipts and revenue receipts. [(Level 4) (CO4) (6 Marks)]

- I. Tesla listed purchases of property and equipment (highlighted in blue) for \$1.3 billion in 2019, \$2.1 billion in 2018, and \$3.4 billion in 2017.
- II. The company also listed as expenditures for the purchase of solar energy systems (highlighted in blue) for \$105 million in 2019, \$218 million in 2018, and \$666 million in 2017.
- III. ABC Ltd. is an entity engaged in the production of cement, the company had an existing capacity of 500 MT, the market demand for cement has grown significantly, due to increasing infrastructure and real estate activities in the country. Given the increased market demand, ABC Ltd. decided to set up a new production unit, in the same vicinity as the existing unit, a new unit is expected to increase the production capacity of 300 MT.

Q4) Answer Any two from the following. [(Level 3) (CO3)]

a) Make Use of basic rules of accounting and journalize the following transactions: [(Level 3) (CO3) (6 Marks)]

2021	Particulars	Rs.
Jan. 1	Started Business with Cash	30,000
Jan. 2	Cash Deposited into bank	10,000
Jan. 3	Goods purchased from Mr. X	5,000
Jan. 4	Withdraw from bank for personal use	1,000

Jan. 5	Good sold to Krishna	1,500
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- b) Apply cost accounting principles and prepare a Cost Sheet for the year ended 31/12/2021 [(Level 3) (CO3) (6 Marks)]

Opening Stock:

Raw Material 40350

Work-in-Progress 15000

Finished Stock 35590

Cost incurred during the period:

Materials purchased 2,50,000, Wages paid 2,00,000, Carriage inward 2,000, Consumable Stores 10,000, Wages of Storekeeper 7,000, Depreciation of Plant & Machinery 10,000, Materials destroyed by Fire 5,000, Repairs & Renewals 5,010, Office Manager's Salary 10,000, Salary to Office Staff 20,500, Printing & Stationary 10,000, Power 10,500, Lighting for Office Building 2,000, Carriage outward 3,000, Freight 5,000, Entertainment 2,500, Warehousing charges 1,500, Legal charges 2,000, Expenses for participating in Industrial exhibition-6,000.

Closing Stock:

Raw material 35000,

(ii) Work-in-Progress 14500, and

(iii) Finished Stock 40030. Profit 25% on cost.

- c) Apply rules of financial accounting and calculate gross profit, net profit, and total assets by preparing final Accounts from the following balances of a firm at the end of the December 2020. [(Level 3) (CO3) (6 Marks)]

Name of Accounts	Debit (Rs)	Credit (Rs)
Capital		24500
Drawings	2000	
General Expenses	2500	
Building	11000	
Stock	16200	
Power	2240	
Insurance	1315	
Rent	1280	
Wages	7200	
Debtors	6280	
Bad debts	550	
Sales		65360
Purchases	47000	
Land	2000	
Cash	905	
Bills Payables		3850
Bank Overdraft		3300
Creditors		900

Closing stock was valued at Rs.23500/-

Depreciation charged Rs 10%

Q5) Answer Any two from the following. [(Level 2) (CO2)]

- a) Explain the dual aspect, accrual concept of accounting and business entity as per GAAP [(Level 2) (CO2) (6 Marks)]
- b) From Enron, and Satyam, it appears that corporate accounting fraud is a major problem that is increasing both in its frequency and severity. Research evidence has shown that

- growing number of frauds have undermined the integrity of financial reports, contributed to substantial economic losses, and eroded investors' confidence regarding the usefulness and reliability of financial statements. Explain your views about the accounting frauds and ethical practices required for accounting and reporting. [(Level 2) (CO2) (6 Marks)]
- c) Summarize the Importance of cost sheet in various aspects of business. [(Level 2) (CO2) (6 Marks)]

Q6) Answer Any two from the following. [(Level 1) (CO1)]

- a) What do you mean by depreciation? What are various methods of depreciation accounting? [(Level 1) (CO1) (6 Marks)]
- b) From the following transactions find out the type of account and state which account should be debited and which account should be credited [(Level 1) (CO1) (6 Marks)]
- i. Sale of goods
 - ii. Customer paid some cash
 - iii. Telephone charges paid
 - iv. Cash paid to supplier for material
 - v. Discount Received
- c) What do you mean by? [(Level 1) (CO1) (6 Marks)]
- i. Trial Balance
 - ii. Golden rules of accounting
 - iii. Annual report?