

**VPM's
DR VN BRIMS, Thane
Programme: MMS (2022-24)
First Semester Examination Feb 2023**

Course Name	Financial Accounting	Course Code:	C102
Roll No.		Marks	60
Total No. of Questions	6	Duration	3 Hours
Total No. of printed pages	6	Date	02-03-2023

CO: Course Outcome Statements:

CO1: To recall the basic concepts and fundamentals used in financial accounting in preparing trial balance, Journal and ledger.

CO2: To understand and interpretate financial statements and use Various tools in decision making such as ratios trend and common size

CO3: To learn, solve and apply all the intricacies of corporate financial statements 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: To analyse Financial Reports of various companies of different years for drawing inferences

CO5: To 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 IT-form/vertical form of balance sheet, income and expenditure statements and also depreciation Accounting.

CO6: To create and design presentations on various accounting relating concepts/topic And create cash flow and fund flow statements various companies under different financial constraints

Note: All questions are Compulsory.

Q1) Attempt both the questions

12 Marks

Maruti Suzuki India Ltd

-----Consolidated Balance Sheet----- in Rs. Cr. -----					
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS		March	March	March	March
March 2022		2021	2020	2019	2018
Equity Share Capital	151	151	151	151	151
Total Share Capital	151	151	151	151	151
Reserves and Surplus	55,182.50	52,349.60	49,262.00	46,941.10	42,408.40
Total Reserves and Surplus	55,182.50	52,349.60	49,262.00	46,941.10	42,408.40

Total Shareholders Funds	55,333.50	52,500.60	49,413.00	47,092.10	42,559.40
Minority Interest	0	0	19.2	17.6	16.1
NON-CURRENT LIABILITIES					
Long Term Borrowings	0	2.8	5.4	8	10
Deferred Tax Liabilities [Net]	0	445.4	657.5	613.9	602
Other Long Term Liabilities	2,214.10	2,168.70	2,175.60	2,037.10	1,585.90
Long Term Provisions	84.4	44.7	51.6	39.5	26.5
Total Non-Current Liabilities	2,298.50	2,661.60	2,890.10	2,698.50	2,224.40
CURRENT LIABILITIES					
Short Term Borrowings	381.9	488.8	106.3	149.6	110.8
Trade Payables	9,765.20	10,168.10	7,498.80	9,637.70	10,499.30
Other Current Liabilities	6,015.10	4,720.80	3,019.60	3,747.80	4,277.50
Short Term Provisions	861.3	742.8	680.7	625.4	560.9
Total Current Liabilities	17,023.50	16,120.50	11,305.40	14,160.50	15,448.50
Total Capital And Liabilities	74,655.50	71,282.70	63,627.70	63,968.70	60,248.40
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	13,397.30	14,764.50	15,408.60	14,986.20	13,077.10
Intangible Assets	349.9	224.2	335.8	451.1	311.7
Capital Work-In-Progress	2,646.20	1,199.30	1,344.30	1,606.90	2,132.10
Intangible Assets Under Development	290.3	297.5	70.9	0	0
Fixed Assets	16,683.70	16,485.50	17,159.60	17,044.20	15,520.90
Non-Current Investments	37,934.60	34,529.10	36,269.20	32,458.10	34,905.80
Deferred Tax Assets [Net]	141.1	0	0	0	0
Long Term Loans And Advances	0.2	0.2	0.2	0.2	0.2
Other Non-Current Assets	3,102.50	1,723.60	1,758.10	2,093.50	1,891.50

Total Non-Current Assets	57,862.10	52,738.40	55,187.10	51,596.00	52,318.40
CURRENT ASSETS					
Current Investments	4,100.10	8,415.70	1,218.80	5,045.50	1,217.30
Inventories	3,532.30	3,049.00	3,213.90	3,322.60	3,160.20
Trade Receivables	2,034.50	1,279.90	1,977.70	2,312.80	1,465.40
Cash And Cash Equivalents	3,042.20	3,047.10	29	187.8	74
Short Term Loans And Advances	30.5	23	17	16.1	3
Other Current Assets	4,053.80	2,729.60	1,984.20	1,487.90	2,010.10
Total Current Assets	16,793.40	18,544.30	8,440.60	12,372.70	7,930.00
Total Assets	74,655.50	71,282.70	63,627.70	63,968.70	60,248.40

A) Evaluate Balance sheets of **Maruti Suzuki India Ltd** and assess financial health of the company as on 31st March 2022 visa vis 31st March 2021 using percentage increase or decrease. **CO5**

B) Analyze data of Balance sheet of company with respect to following points for year Mar 2021 and Mar 2022 accounting period, Profitability position , assets, liabilities and give the reasons of having low current assets in year March 2020 and long term liabilities in 2021? **CO4**

Q2) Any one from (a) or (b)

6 Marks

A) Dabur Ltd is an Indian multinational consumer goods company, founded by S. K. Burman and headquartered in Ghaziabad. It manufactures Ayurvedic medicine and natural consumer products, and is one of the largest fast-moving consumer goods companies in India. Decide the sound position of cash and cash equivalent by preparing cash flow statement **CO5**

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Equity Share Capital	2,00,000	3,50,000	Land	158000	370000
12% Preference Share Capital	50,000	40,000	Building	100,000	86000
General Reserve	35000	49,000	Plant	40,000	70,000
P&L A/c	15000	17,000	Debtors	120,000	160000
Creditors	23000	10,000	Stock	18,000	20000
Bills Payables	1,43,000	2,74,000	Cash	30,000	34000
	466000	740,000		4,66,000	7,40,000

B) Assess financial position of XYZ Ltd by preparing 1) Schedule of changes in working

capital 2) Adjusted Profit and loss account 3) A statement of Sources and application of funds
CO5

XYZ Ltd ,Balance sheet As on 31stDec 2022

Liabilities	2021	2022	Assets	2021	2022
Equity Share capital	5,00,000	4,00,000	Goodwill	5,000	2500
9% Preference share capital	250,000	2,00,000	Land and Building	4,00,000	750,000
12% Debentures	350,000	250,000	Plant and machinery	7,50,000	5,00,000
General Reserve	150,000	1,00,000	Furniture	25,000	22500
Profit and loss account	2,50,000	350,000	Investments	2,50,000	2,00,000
Share Premium	25,000	40,000	Stock	3,00,000	375,000
13% public deposits	4,00,000	6,00,000	Debtors	1,00,000	85000
Creditors	40,000	50,000	Bills Receivable	40,000	45,000
Bills Payable	30,000	20,000	Accrued Income	5,000	3,000
Bank Overdraft	50,000	60,000	Prepaid expenses	-----	1000
Outstanding expenses	1500	500	Cash at Bank	150,000	75000
			Cash in hand	21500	11500
Total	20,46,500	20,70,500	Total	20,46,500	20,70,500

Q.3) Any one from (a) or (b)

6 Marks CO4

A) Compare the inventory valuation as per FIFO and Weighted Average Method and examine its impact on profits of the company. Opening Inventory as on 1st Dec 2022 is 5000 units @Rs 14 during the year following were purchases and sales;

Purchases (Kgs): December 18 4,200 units @Rs 13
 December 23 3,800 units @Rs 9
 Sales (Kgs): December 16 2,600 units
 December 19 1,800 units
 December 30 3,400 units

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 3)(CO3) 6 Marks**

1. ABC Ltd Company spend Rs 1,00,000 on purchase of a machine, Rs 100 spent on freight to

bring the machine and Rs 150 spent on wages to install the machine.

2. Ureka and Co has spent Rs 15,000 to shift their existing business to a new location which will help them to increase the profit of the business.

3. H and M Ltd company collected Rs 50,000 as loan and further spent Rs 500 as processing charges

Q4) Any TWO from (A) or (B) or (C) (Level 3) CO3 12 Marks

A). Make Use of basic rules of accounting and journalize the following transactions:

2022	Particulars	Rs
1 st Jan	Started Business with cash	100,000
2 nd Jan	Bought furniture	20,000
3 rd Jan	Bought Goods	25,000
4 th Jan	Sold goods	30,000
5 th Jan	Paid Salary to Staff	5,000

B) Apply cost accounting principles and prepare a Cost Sheet for the month of April 2022[(Level 3) (CO3) 6 Marks

The Directors of a manufacturing company require a statement showing the production results of the month of April 2022. The cost accounts give the following information:

Particulars	Rs
Stock in hand (1.4.2022)	
Raw Materials	25,500
Finished Goods	17,300
Stock in hand (30.4.2022)	
Raw Materials	26,200
Finished Goods	15,000
Purchases of Raw Materials	22,000
Work-in-progress (1.4.2022)	8,200
Work-in-progress (30.4.2022)	9,000
Sales	72,000
Direct Wages	17,100
Non-Productive wages	800
Stores	100
Office Expenses	3,000
Works Expenses	3,000
Selling and Distribution Expenses	4,200

The following information is required a) the value of material consumed, b) works Cost c) Total cost of production d) Cost of goods sold e) the profit on goods sold.

C) Apply rules of financial accounting and calculate gross profit, net profit, and total assets by preparing final Accounts from the following trial balance has been extracted from the books of M/S Marks and Spenser & Co Ltd on 31st March 2022 (Level 3) (CO3) 6 Marks

Particulars	Rs	Rs
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Capital		100,000
Building	15,000	
Drawings	18,000	
Furniture	7,500	
Motar Car	25,000	
Loan from Ashok @12%		15,000
Interest paid on above	900	
Purchases and Sales	75,000	100,000
Opening Stock	25,000	
Establishment Expenses	15,000	
Wages	2,000	
Insurance	1,000	
Commission		7,500
Debtors and Creditors	28,100	10,000
Bank Balance	20,000	
	2,32,500	2,32,500

Adjustments:

1. The value of Closing Stock on 31st March 2008 was Rs 32,000
2. Outstanding wages amounted to Rs 500.
3. Depreciate building by 2.5%, furniture by 10% , and motor car by 10%

Ques No	Questions	Marks	BL	CO
Q5)	Answer Any two from the following.			
A	Explain in detail IFRS? How they are different from IND-AS.	6	Level 2	CO2
B	Describe Ethical issues in Financial Accounting? Explain any 2 in detail	6	Level 2	CO2
C	Explain in detail cost classification, cost centre and cost object; give examples of each	6	Level 2	CO2
Q6)	Answer Any two from the following.			
A	What do you mean by Accounting cycle? Why is it important?	6	Level 1	CO1
B	How many methods of Inventory Valuation? Explain in detail.	6	Level 1	CO1
C	What do you mean by: 1. Deferred Revenue Expenditure 2. GAAP Principles 3. Corporate Governance Report	6	Level 1	CO1