

Rani Rashmoni Green University
MBA 1st Semester Examination, 2025
Subject: Financial Accounting For Managers
Course code: MBA-103 (Unit: _____)

Time: 2 Hours

Full Marks: 40

1. Answer any four out of six questions from the followings:

2×4 =8

- a) Define Human Resource Accounting.
- b) Credit sale is ₹ 20,000 in a year, opening balance of debtors is ₹ 8,000 and closing balance of debtors is ₹ 12,000. Find out the debtors turnover ratio.
- c) What is accounting equation? With help of accounting equation, find out the value of capital if the assets worth ₹ 10,00,000 and other external liabilities is ₹ 7,00,000. [1+1]
- d) Mention the difference between shares and debentures.
- e) Write down the process of accounting in short.
- f) On 1/4/2025 a machine was purchased for ₹ 10,00,000, cost of installation: ₹ 2,00,000 and the salvage value after the end of 10 years (life of the asset): ₹ 1,00,000. Assuming the method of depreciation to be Straight Line basis, calculate the amount of depreciation for one year.

2. Answer any four out of six questions from the following: 4x4=16

- a) (i). Differentiate between LIFO and FIFO method. [2]
- (ii). Define GAAP. [2]
- b) On 1.4.2023, a company purchased a machinery costing ₹ 1,00,000 and a furniture valued ₹ 50,000. Find out the total depreciation for all the assets at the end of 31.12.2025 provided machinery follows written down method of depreciation and furniture follows straight line method of depreciation. Rate: 10% for both the assets.
- c) Identify the following items of cash flow statement and mention which ones falls under the category of operating, investing and financing activities:
 - i. Dividend received
 - ii. Debtors paid money for their dues as the company sold goods to them on credit
 - iii. Purchased land
 - iv. Sold machinery
- d) Mention all the accounting conventions.
- e) Write down the golden rules of accounting pertaining to real, personal and nominal account.
- f) What is IFRS and Ind.AS. Also mention the need for convergence to IFRS.

3. Answer any two out of four questions from the following:

2x8=16

a) From the Trial Balance of ABC Co. for the year ending 31.12.2025, prepare the final accounts.

| Particulars | Debit (₹) | Credit (₹) |
|---------------|-----------|------------|
| Capital | | 2,00,000 |
| Debtors | 10,000 | |
| Creditors | | 15,000 |
| Purchase | 80,000 | |
| Opening Stock | 10,000 | |

| | | |
|-------------------|----------|----------|
| Salaries | 18,000 | |
| Wages | 7,000 | |
| Rent received | | 2,000 |
| Bad Debts | 1,000 | |
| Cash in hand | 10,000 | |
| Cash at Bank | 5,000 | |
| Land and Building | 3,00,000 | |
| Bank Loan | | 1,00,000 |
| Sales | | 1,24,000 |
| | 4,41,000 | 4,41,000 |

Closing Stock was ₹ 12,000.

b) Following are the transactions for the month of January, 2026:

- i. Sale of Gold: ₹ 50,000.
- ii. Purchased a plot of land ₹ 1,00,000
- iii. Sold goods worth ₹ 93,000.
- iv. Paid salaries to the office staffs ₹ 10,000.
- v. Electricity paid for the office: ₹ 18,000.
- vi. Rental income received ₹ 5,000 for renting out some portion of the business premises.
- vii. Maintenance cost for building: ₹ 7,500.
- viii. Sold shares: ₹ 3,000.

Identify the above transactions and find out the totals of capital expenditures, revenue expenditures, capital receipts and revenue receipts.

c) State whether the following statements are True or False:

1. Depreciation is charged on assets for wear and tear of current assets.
2. Inventory Turnover Ratio comes under Profitability Ratio.
3. Matching Concept tells us that assets are always equal to the liabilities.
4. Amount of depreciation charged in the first year always have same amount for both SLM and WDV method.
5. When a share is issued at a price higher than its face value it is known as premium.
6. IFRS stands for Indian Financial Reporting Standards.
7. Installation cost of machinery is a revenue expenditure.
8. Accounting concepts are accounting assumptions.

d) From the following information available below, calculate:

- i. Gross Profit Ratio,
- ii. Net Profit Ratio,
- iii. Creditors Turnover Ratio; and,
- iv. Inventory Turnover Ratio.

Amount of Credit Purchase: ₹ 10,000; Total Sales: ₹ 50,000; Opening Creditors: ₹ 4,000; Closing Creditors: ₹ 6,000; Net Profit: ₹ 5,000; Cost of Goods Sold: ₹ 40,000; Average Inventory: ₹ 8,000.