

Paper No. : 5383

(4 – Pages)

Your Roll No.

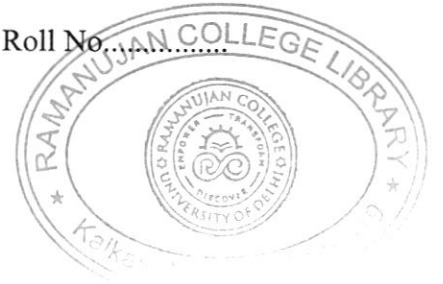
Unique Paper Code: 2922061103

Name of the Paper: Financial Accounting & Analysis

Name of the Course: BMS (Bachelor of Management Studies)

Semester: I

Duration: 3 Hours



Maximum Marks: 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Use of Simple Calculator is allowed.
3. All questions carry equal marks.
4. Attempt any FIVE questions only.

1 Journalise the following transactions, post them to the ledger, and prepare the trial balance in Ms. Priya's books.

Date	Particulars	Amount (Rs.)
May 1	Ms. Priya started her business with cash	60,000
2	Purchased goods from Mr. Rajesh on credit	8,000
3	Purchased furniture for cash	5,000
4	Sold goods to Mr. Vikram at listed price of Rs. 12,000 less 10% trade discount	-
5	Mr. Vikram returned goods worth Rs. 1,500	-
6	Purchased goods for cash	9,000
7	Sold goods for cash	14,000
8	Sold goods on credit to Ms. Neha	16,500
10	Paid wages to workers	800
12	Received payment from Mr. Vikram after allowing him 2% cash discount	-
15	Paid Mr. Rajesh Rs. 7,840 and received 1% discount from him	-
18	Purchased stationery	1,200
20	Received cheque from Ms. Neha	16,500
25	Withdrew cash for personal use	2,000
28	Paid electricity charges	600
31	Paid rent for the month	1,500

(18)

2 From the following Trial Balance of Meera, you are required to prepare (i) Trading and Profit and Loss Account for the year ended 31st March, 2020, and (ii) Balance Sheet as on that date.

Trial Balance as on 31st March, 2020

Debit Balances	Amount	Credit Balances	Amount
Stock on 1-4-2019	85,000	Capital	3,47,000
Plant and Machinery	4,20,000	Rent Outstanding	5,000
Rent	36,000	Sales	6,50,000
Depreciation on Plant and Machinery	18,000	Creditors	55,000
Wages	25,000	Bills Payable	20,000
Salary for 10 months	12,000	Discount Received	15,000
Commission	10,000		
Purchases	3,40,000		
Debtors	95,000		
Discount Allowed	3,000		
Carriage Inwards	5,000		
Bad Debts	8,000		
Cash	35,000		
Total	10,92,000	Total	10,92,000

Adjustments

1. Stock on 31st March, 2020 was ₹1,15,000.
2. Stock destroyed by fire was ₹10,000 and the Insurance Company accepted a claim for ₹7,000.
3. ₹2,000 paid as rent of the office was debited to Landlord account included in Debtors.
4. Write off further bad debts ₹5,000.
5. Sales include sales on return basis. Approval for sale of ₹3,000 has not been received till 31-3-2020. The rate of gross profit on this sale was 25% on cost.

(18)

3 (a) Discuss the challenges faced by Indian companies in adopting IFRS/Ind-AS standards. What are the key benefits for the stakeholders? (8)

(b) Discuss the main differences between adoption and convergence with International Financial Reporting Standards (IFRS). Explain how India has chosen the Ind AS route and bring out at least three implications of this choice for multinational companies operating in India. (10)

4 Following are accounting information of Shakti Ltd. as at 31st March, 2024:

Equity and Liabilities

Particulars	Amount (Rs.)
Share capital	3,00,000
Long-term liabilities (12% Debentures)	1,20,000
Creditors	50,000
Bills payable	20,000
Total	4,90,000

Assets

Particulars	Amount (Rs.)
Fixed assets	3,10,000
Stock	90,000
Debtors	50,000
Cash	40,000
Total	4,90,000

Additional Information

- Sales: Rs. 11,50,000
- Opening stock: Rs. 70,000

You are required to calculate and interpret the following ratios:

- a) Current Ratio
- b) Acid Test Ratio
- c) Total Asset to Debt Ratio
- d) Proprietary Ratio
- e) Inventory Turnover Ratio

f) Working Capital Turnover Ratio

(18)

5 (a) A company has the following financial information:

Particulars	Amount (Rs.)
Equity Share Capital (of Rs. 10 each)	8,00,000
12% Preference Share Capital (of Rs. 100 each)	2,00,000
Fixed Assets	5,60,000
Current Assets	4,20,000
Current Liabilities	1,50,000
10% Debentures	3,00,000
General Reserve	2,50,000
Sales	18,00,000
EBIT	3,60,000
Market value of each equity share	Rs. 18
Market value of each preference share	Rs. 110
Interest on debentures	Rs. 30,000

Calculate Altman's Z-Score and provide your assessment of the financial distress risk for the company. (12)

(b) Explain, with formats, how a classified Balance Sheet and Statement of Profit and Loss are presented under Division II of Schedule III of the Companies Act, 2013 for companies following Ind AS. (6)

6 Write short notes on any THREE of the following:

(a) Cash Flow from Operating Activities under Ind AS 7 (Indirect Method)

(b) Types of Ratios and Their Significance in Financial Analysis

(c) Going Concern Concept

(d) Revenue Expenditure vs. Capital Expenditure

(e) Earnings Management and "Beyond the Balance Sheet" indicators (3 × 6 = 18 marks)

(2000)