

S-610

Roll No.

MTM-304/MTTM-304

Financial Accounting

Master of Tourism and Travel Management

(MTM-12/MTTM-16/17)

Third Semester, Examination, 2018

Time : 3 Hours

Max. Marks : 40

Note : This paper is of **forty (40)** marks containing **three (03)** Sections A, B and C. Attempt the questions contained in these Sections according to the detailed instructions given therein.

Section-A

(Long Answer Type Questions)

Note : Section 'A' contains four (04) long answer type questions of nine and half ($9\frac{1}{2}$) marks each. Learners are required to answer *two* (02) questions only.

1. From the given ahead Trial Balance of Mr. Goyal, prepare Trading and Profit and Loss Account as well as Balance Sheet for the year ending 31st March 2017 :

Trial Balance
(as on 31st March, 2017)

Particulars	Amount (₹)
Opening Stock	16,000
Building	24,000
Sundry Debtors	17,000
Machinery	10,000
Drawings	4,000
Purchases	90,000
Insurance and Tax	1,500
Trade Expenses	3,600
Sales Returns	600
Salaries	8,200
Carriage Inward	1,250
Bad Debts	300
Bills Receivable	4,500
Cash	1,400
	1,82,350

Particulars	Amount (₹)
Bank Loan	4,400
Creditors	11,600
Capital	32,000
Sales	1,30,000
Discount	400
Purchases Returns	800
Bad Debts Reserve	400
Commission	750
Bills Payable	2,000
	1,82,350

Consider the following adjustments :

- (i) Stock on 31st March, 2017 is ₹ 12,000.
- (ii) 5% interest is to be charged on capital.
- (iii) Outstanding salary is ₹ 800.
- (iv) Prepaid Insurance Premium is ₹ 150.
- (v) Depreciate building by 2% and Machinery by 10%.

- (vi) The Bad Debts reserve is to maintained at 5% on Sundry Debtors.
- (vii) The accrued commission amounted to ₹ 200.
2. What do you mean by accounting concepts ? Describe various kinds of accounting concepts.
 3. What is meant by Ratio Analysis ? Discuss its objects and limitations. Explain various profitability or solvency ratios.
 4. What is financial planning ? Explain various steps involved in financial planning.

Section-B

(Short Answer Type Questions)

Note : Section 'B' contains eight (08) short answer type questions of four (04) marks each. Learners are required to answer *four* (04) questions only.

1. Enter the following transactions in cash book with bank column :

July 2016		₹
1	Cash in hand	830
	Cash at Bank	5,060
3	Paid wages by cheque	1,900
4	Goods purchased for cash	300
7	Received cheque from Varun	1,060
	Discount allowed to him	40

9	Paid to Krishna by cheque	800
	Discount received	30
10	Cash Sales	300
16	Interest allowed by Bank	400
19	Purchased furniture and paid by cheque	600
23	Received cheque from Sunil	500
	Discount allowed to him	20
29	Paid into Bank	600

2. The books of A. Vijayan did not agree. The accountant placed the difference of ₹ 1,270 to the debit of Suspense Account :
- The total of the purchases Returns Book ₹ 210 has not been posted.
 - A sale of ₹ 430 to Krishna Textiles has been credited as ₹ 340.
 - A purchase of ₹ 400 from Sankaran has been entered in the Sales Book. However, Sankaran's Account has been correctly credited.
 - A sale of ₹ 296 to Kailasam has been entered in the Sales Book as ₹ 269.
 - An old furniture sold for ₹ 540 has been entered in the Sales Account as ₹ 450.
 - Goods taken by proprietor ₹ 75, have not been entered in the books at all.

3. Define Accounting. Explain various branches and users of Accounting.
4. What is ledger ? What is its importance ? Describe the rule of posting in it.
5. Define financial management. Explain its function.
6. What is analysis of financial statement ? Discuss their utility and significance.
7. Explain the nature and causes of over-capitalization.
8. What is Capital Budgeting ? Explain any *one* technique of capital budgeting.

Section-C

(Objective Type Questions)

Note : Section 'C' contains ten (10) objective type questions of half ($\frac{1}{2}$) mark each. All the questions of this Section are compulsory.

State whether each of the following statements are True *or* False :

1. Accounting is the language of the business.
2. Every Debit has a corresponding credit.
3. Assets are to be shown in the Balance Sheet at the realisable values.
4. Errors of principle does not affect Trial Balance.

5. Business unit is not treated separate than its owner.
6. The main aim of finance function is to maximise the profits.
7. Depreciation is a source of Funds.
8. Inventory is a part of liquid assets.
9. Excess capital is good for a sound financial plan.
10. Every business concern should have excessive working capital.