Tribhuvan University

2078 (Partial) / 2079 Regular

B.B.S. 4 Yrs. Programme / I Year / MGMT
MGT : 211 (Financial Accounting & Analysis) Full Marks: 100
(New Courses) Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.
The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions [10×2=20]
Attempt ALL questions.

1. Write any two importances of financial accounting.
2. Define going concern concept of accounting.
3. What are the different types of receivable?
4. What is value added statement?
5. Write down the meaning of contingent liabilities.
6. Following information are provided:
   a) Goods sold for Rs. 10,000 on cash & Rs. 15,000 on credit with profit of Rs.5,000
   b) Paid Rs. 28,000 for wages including advance wages of Rs. 4,000

   Required: Accounting equation
7. You are provided the following information:

Sales	Rs. 120,000	Salary to staff	Rs. 24,000
Rent received	Rs. 12,000	Income tax paid	Rs. 4,000
Opening stock	Rs. 20,000	Closing stock	Rs. 22,000
Purchase	Rs. 60,000	Power and Fuel	Rs. 8,000

Required : Amount of value added

8. Following transactions are given:
   June 10: Purchased from Ratna Furniture House

   5 Sofa Set @ Rs. 20,000 each

   20 Chairs for Rs. 30,000

   (Trade Discount @ 10%)

   June 25: Purchased from Sita Furniture House:

   10 Tables @ Rs. 3,000 each

   15 Chairs @ Rs 1,000 each with trade discount @ 5%

   Required: Purchase Book

9. On 1st Shrawan, MM Grocery Shop borrowed Rs. 120,000 from National Bank by signing a 6-month, 10% note. Grocery Shop paid the principal and interest at due date.

   Required: Journal entries for issue and retirement of note

10. GG Company issued Rs. 100,000 face value bond at discount of Rs. 10,000. The unamortized discount was Rs. 4,000 and the bond contains a call provision of Rs. 103.

    Required: Gain or loss on early redemption of bond

Group "B"

Short Answer Questions [5×10=50]

Attempt any FIVE questions.

11. The following information is given to you:

Inventory at beginning	Rs.60,000	Quick assets	Rs.180,000
Income tax	25%	Current liabilities	Rs.100,000
General Reserve	Rs.100,000	Long term debt	Rs.150,000
Equity dividend	Rs.20,000	Preliminary expenses	Rs.20,000
Operating Profit (15% of Sales)	Rs.60,000	Equity Share Capital @ Rs.100 each	Rs.200,000
Cost of goods sold	80%	Inventory turnover ratio	8 times

Required:

a. Amount of sales b. Inventory at end

c. Current ratio d. Debt to total capital ratio

e. Return on shareholders' equity g. Dividend per share

h. Net profit margin [1+ (6 x1.5)]

12. D. Enterprises provide you the following information related to the inventories for January 2022.

Jan. 1 Beginning inventory 700 units @ Rs.10 each

Jan. 11 Purchased 1,000 units @ Rs.14 each

Jan. 17 Sold 1,200 units @ Rs.21 each

Jan. 20 Purchased 500 units @ Rs.14 each

Jan. 27 Purchased 200 units @ Rs.15 each

Jan. 31 Sold 500 units @ Rs.26 each.

Jan. 31. Stock verification found 50 units damage

Required:

a: Ending inventory and cost of goods sold under the LIFO and weighted average costing method using a periodic inventory system

b. Income statement under both method, assuming operating expenses Rs.5,000 and estimated tax @ 25%. [6+4]

13. (a) A Company purchased a machinery on Magh 1, 2076 for Rs. 90,000 and spent Rs. 10,000 on its installation. The company writes off depreciation at 15% on the diminishing value every year. At the end of Ashwin 2078, the company sold the machinery at Rs. 80,000 and purchased new machinery for Rs. 120,000. The books are closed on 31st Chaitra every year.

Required: Machinery account for 2076 to 2078 [5]

(b) Define depreciation. Write in brief about the reasons for depreciating long-lived assets. [2+3]

14. (a) On 30th poush 2079, the bank statement of Info-Tech Company showed a balance of Rs. 11,400 and cash book showed the balance of Rs. 10,000. Other data are:

- A cheque of Rs. 2,100 deposited but recorded by bank as Rs. 1,200
- A bill receivable of Rs. 5,000 and interest of Rs. 500 collected by bank only.
- A customer's cheque for Rs. 2,000 was returned with the bank statement marked NSF

P.T.O.

- Bank service charge for the month Rs. 200
- Deposit in transit of Rs.6,000
- Outstanding cheque Rs. 5,000 of the month.

Required: Bank Reconciliation statements as on 30th Poush 2079 [5]

(b) Differentiate between capital and revenue income. [5]

15. Define financial statement analysis. Explain the objectives of financial statement analysis. [4+6]

16. What is cash flow statement? Why it is important for the organization? [4+6]

Group "C"

Long Answer Questions [2×15=30]
Attempt any **TWO** questions.

17. Following are the transaction a consultant agency during the month of Baishakh:

Baishakh 1: Collected Rs.1,000,000 from owners of the agency in exchange of shares.

Baishakh 2: Deposited into bank Rs. 800,000

Baishakh 5: Paid 3 month's rent in advance Rs. 30,000

Baishakh 8: Purchased office equipment for Rs. 100,000 and paid 20% of cash and balance through cheque.

Baishakh 10: Billed to customers for service provided Rs. 200,000

Baishakh 12: Purchased office supplies Rs. 45,000

Baishakh 14: Received Rs. 190,000 after deduction of 5% discount from the customers billed on Baishakh 10

Baishakh 20: Paid Rs. 10,000 to the advertising company.

Baishakh 25: Paid electricity bill of Rs. 2,000.

Baishakh 30: Paid office salary Rs. 50,000 by issuing cheques.

Required:

a. Journal Entries for the above transactions
b. Triple Column Cash book
c. Cash, Bank, Accounts Receivable and Account Payable Account
d. Trail Balance

[5+4+4+2]

18. An unadjusted trial balance of a company is given below

Particulars	Debit (Rs.)	Credit (Rs.)
Cash	200,000	
Bank	250,000	
Discount Allowed	6,000	
Machinery	200,000	
Purchases	200,000	
Debtors	80,000	
Promotional expenses	20,000	
Salary	60,000	
Pre-paid rent	39,000	
Share Capital		500,000
Creditors		45,000
Commission Received		10,000
Revenue/Sales		500,000
	1,055,000	**1,055,000**

Adjustment:

a. Closing stock Rs. 30,000
b. Prepaid rent expired was Rs. 39,000
c. Depreciation on Machinery at 15% per annum

Required:

i. Adjusted Trail balance [2]
ii. Statement of Profit and Loss a/c as per NFRS [4]
iii. Statement of Financial Position as per NFRS [4]
iv. Statement of Cash flow Statement as per NFRS [5]

19. Describe the users of accounting information. Why do they need such information? Explain. [5+10]

(7)

interna
- Board of Director
- Manager
- accountants