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FIRST SEMESTER  
SUPPLEMENTARY EXAMINATION

EMBA-102 FINANCIAL ACCOUNTING

Max. Marks: 60

Time: 3 Hours

Note: Answer all five questions

Q.1. What are financial statements ? Discuss about the different types of financial statement and informational needs of different stakeholders ?

Q.2. From the following information, calculate Debt Equity Ratio, Total Assets to Debt Ratio, Proprietary Ratio, and Debt to Capital Employed Ratio:

BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2018

Particulars	Note No.	Rs.
<b>I. Equity and Liabilities:</b>		
1. Shareholders' funds		4,00,000
a) Share capital		1,00,000
b) Reserves and surplus		
2. Non-current Liabilities		1,50,000
Long-term borrowings		50,000
3. Current Liabilities		7,00,000
<b>II. Assets</b>		
1. Non-current Assets		4,00,000
a) Fixed assets		1,00,000
b) Non-current investments		2,00,000
2. Current Assets		7,00,000

Q.3. The debt equity ratio of X Ltd. is 0.5 : 1. Which of the following would increase/ decrease or not change the debt equity ratio?

- (i) Further issue of equity shares
- (ii) Cash received from debtors
- (iii) Sale of goods on cash basis
- (iv) Redemption of debentures
- (v) Purchase of goods on credit.

P.T.O

**Q.4.** M/s Shyam and Bros. purchased a plant for Rs. 5,00,000 on April, 01 2017, and spent Rs. 50,000 for its installation. The salvage value of the plant after its useful life of 10 years is estimated to be Rs. 10,000. Record journal entries for the year 2017-18 and draw up Plant Account and Depreciation Account for first three years given that the depreciation is charged using straight line method if : (i) The books of account close on March 31 every year; and (ii) The firm charges depreciation to the asset account.

**Q.5.** Amit sold goods for Rs.20,000 to Sumit on credit on Jan 01, 2015. Amit drew a bill of exchange upon Sumit for the same amount for three months. Sumit accepted the bill and returned it to Amit. Sumit met his acceptance on maturity. Record the necessary journal entries under the following circumstances:

(i) Amit retained the bill till the date of its maturity and collected directly

(ii) Amit discounted the bill @ 12% p.a from his bank

(iii) Amit endorsed the bill to his creditor Ankit

(iv) Amit retained the bill and on March, 31 2015 Amit sent the bill for collection to its bank. On April 05, 2015 bank advice was received.