

MTM-304/MTTM-304
Financial Accounting

Master of Tourism & Travel Management
(MTM-12/MTTM-16/17)

3rd SEMESTER EXAMINATION, 2019

Time : 3 Hours

Max. Marks : 40

Note : The question paper is of Forty (40) marks divided into three (03) Section 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 (9½) marks each. The learners are required to answer only two (02) questions.

1. From the following Trial Balance of Mr. Anand, prepare Trading and Profit & Loss Account for the year ended 31st March, 2016 and draw the Balance Sheet as on that date :

Particulars	Dr. Balance Rs.	Cr. Balance Rs.
Anand's Capital		60,000
Sundry Debtors	30,660	
Sundry Creditors		24,400
Stock (1.4.2015)	70,500	
Purchases	64,300	
Returns Outward		1,200
Sales		1,31,500
Returns Inward	3,200	
Salaries	15,000	
Office Expenses	2,800	
Bad Debts	6,500	
Rent & Taxes	7,310	
General Expenses	1,350	
Discount		500
Carriage Outward	5,120	
Furniture	6,300	
Insurance	900	
Cash in hand	660	
Wages	3,000	
	2,17,600	2,17,600

Adjustments :

- (i) Closing Stock Rs. 25,000.
- (ii) Depreciate Furniture @10%.
- (iii) Outstanding Salary Rs. 2,500.
- (iv) Prepaid Insurance Rs. 100.
- (v) Allow 5% p.a. interest on capital.

2. Define Accounting. Explain its objectives and scope. State the limitations of Accounting.
3. Define Financial Management. Explain its objectives and functions.
4. Define Working capital. Explain the factors affecting the working capital requirements of a business.

Section-B

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

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

2015			Rs.
June	1	Cash in hand	15,000
June	5	Paid to Rakesh	3,000
		Discount allowed by him	100
June	8	Purchased goods for cash	4,000
June	10	Received from Suresh	9,800
		Discount allowed	200
June	16	Sold goods for cash	4,000
June	21	Paid to Paras	2,950
		Discount received	50
June	25	Paid wages	500
June	30	Paid to Naresh in full settlement of his account which shows a credit balance of Rs. 4,000	3,900

2. There was an error in the Trial Balance of Mr. Arora on 31st December, 1999 and the difference in the books was carried to Suspense Account. On going through the books, you find that :

- (i) Rs. 5,400 received from Mr. Rajiv was posted to the debit of his account.
- (ii) Rs. 1,000 being purchases returned were posted to the debit of Purchases Account.
- (iii) Discount of Rs. 2,000 received were posted to the debit of Discount Received Account.
- (iv) Rs. 2,740 paid for repairs to motor car was debited to Motor Car Account as Rs. 1,740.
- (v) Rs. 4,000 paid to R. Sanjay Das debited to S. Sanjay Account.

Give Journal entries to rectify the above errors and ascertain the amount transferred to Suspense Account on 31st December, 1999 by showing the Suspense Account, assuming that the Suspense Account is balanced after the above corrections.

3. Describe various accounting conventions.
4. What is Trial Balance? Why it is prepared?
5. What is Fund Flow Analyses? Explain its objectives.
6. What is Ratio Analysis? Describe any four accounting ratios.
7. Explain the sources of long term finance.
8. Explain Net Present Value (NPV) as a 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. ($\frac{1}{2} \times 10 = 5$)

State whether each of the following statement is True or False :

1. It is the concept of accounting that business will continue.
2. Building Account is a real account.
3. Cash Book is different from Petty Cash Book.
4. Suspense Account always shows credit balance.
5. Goodwill is Fictitious Assets.
6. Study of Financial Management is useful for shareholders.

7. Gross profit ratio measures overall profitability of a concern.
8. Flow of funds mean increase or decrease of working capital.
9. Over capitalizations refers to excess capital.
10. Pay back period method measures the true profitability of a project.
