

**MASTER OF BUSINESS ADMINISTRATION  
(MBACN)**

**Term-End Examination**

**December, 2012**

**MCN-003 : PRINCIPLES OF ACCOUNTING**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Attempt any five questions.*

1. Discuss the following: **10+10**
  - (a) Generally Accepted Accounting Principles.
  - (b) International Financial Reporting Standards.
  
2. Prepare Trading Account, Profit & Loss Account, **20**  
and a Balance Sheet with imaginary figures.
  
3. From the following details, make out the Balance **20**  
sheet.
  - (a) Stock velocity 6
  - (b) Capital Turnover Ratio 2
  - (c) Fixed Assets Turnover  
Ratio 4
  - (d) G.P. turnover Ratio 20%
  - (e) Debtor velocity 2 months
  - (f) Creditor velocity 73 days

Gross Profit was Rs. 60,000. Reserves Rs. 20,000  
and closing stock was Rs. 5000 in excess of opening  
stock.

4. "A Fund Flow Statement is a better substitute for an income statement". Discuss . 20
  5. Define 'depreciation'. Discuss the merits and limitations of straight line method. 20
  6. Discuss the legal provisions regarding issue and redemption of preference share and debentures. 20
  7. What is FIFO methods of valuation of inventory ? Discuss the merits and limitations of this method. 20
  8. Define Financial Accounting. Describe the branches of accounting. 20
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