MCN-003

MASTER OF BUSINESS ADMINISTRATION (MBACN)

Term-End Examination

June, 2013

MCN-003 : PRINCIPLES OF ACCOUNTING

Time : 3 hours *Maximum Marks : 100*

Note : Attempt **any five** questions. All questions carry **equal** marks.

1. Explain the steps in the accounting process. **20**

2. Explain the principle of revenue recognition by giving examples. **20**

3. Explain the various methods of charging Depreciation on tangible assets. **20**

4. Explain the process of buy back of shares. **20**

5. Write notes on the following : **20**
    (a) Accounting treatment for provisions
    (b) Redemption of preference shares

6. Explain the following : **20**
    (a) Difference between Funds flow and Cash flow statement
    (b) Accrual accounting

7. Explain the various items which normally appear 20
   on the Liabilities and Assets side of the Balance
   sheet.

8. From the following Trial Balance of Mr. Gopal for 20
   the year ending 31-3-2010 and additional
   information given, prepare Trading And Profit
   and Loss Account and Balance Sheet as
   31-3 2010 :

Particulars	Debit Rs.	Credit Rs.
Opening Stock	25,000	-
Capital	-	2,25,000
Debtors and Creditors	30,000	17,500
Purchases and Sales	2,00,000	3,50,000
Returns	7,500	5,000
Carriage	4,000	-
Wages and Salaries	12,500	-
Commission	-	6,500
Machinery	40,000	-
Furniture	10,000	-
Bad debts	4,000	-
Provision for doubtful debts	-	5,000
B/R and B/P	15,000	3,500
Land and Building	2,00,000	-
Taxes and Insurance	8,500	-
Discount allowed	6,000	-
Bank	25,000	-
Drawings	25,000	-
	6,12,500	6,12,500

Additional Information :

(a) Value of the closing stock, as on 31 March 2010 is Rs. 20,000.

(b) Wages and salaries outstanding is Rs. 500 and insurance prepaid is Rs. 2,000.

(c) Provide for doubtful debts on the debtors at the rate of 10%.

(d) Depreciate machinery and furniture at the rate of 10% and 15% respectively.

(e) Goods costing Rs. 12,000 were sold on the approval basis for Rs. 15,000, but these were not approved by the customers as yet.