

**MASTER OF BUSINESS ADMINISTRATION
(MBACN)**

Term-End Examination

December, 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 conservatism and going concern concept of accounting. 20
2. Is trial balance a conclusive proof of the accuracy of accounting system ? Discuss. 20
3. Explain the various methods of valuation of inventories. 20
4. Explain the accounting procedure for issue of debentures. 20
5. Write notes on the following : 20
 - (a) Generally accepted accounting principles.
 - (b) Reasons for charging depreciation on fixed assets.

6. Explain the limitations of Ratio analysis. 20
7. Discuss the key features of International Financial Reporting Standard. 20
8. From the following Trial Balance and additional information, you are required to prepare a Profit and loss account and a Balance sheet. 20
- TIRAL BALANCE as on 31st December 2011

Particulars	Dr. Amount Rs.	Cr. Amount Rs.
Capital	-	20,000
Sundry Debtors	5,400	-
Drawings	1,800	-
Machinery	7,000	-
Sundry creditors	-	2,800
Wages	10,000	-
Purchases	19,000	-
Opening Stock	4,000	-
Bank Balance	3,000	-
Carriage Charges	300	-
Salaries	400	-
Rent and Taxes	900	-
Sales	-	29,000
	51,800	51,800

Additional Information

- (a) Closing Stock Rs 1,200.
 (b) Outstanding Rent and Taxes Rs 100.
 (c) Charge depreciation on machinery at 10%.
 (d) Wages prepaid Rs 400.