

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
BBA/MBA INTEGRATED - SEMESTER - I EXAMINATION - WINTER
2025

Subject Code: BB01001021

Date: 11-12-2025

Subject Name: Financial Accounting

Time: 10:30 AM to 01:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) What is Cash Flow Statement?	
(b) What is Accounting? Explain its Process.	
(c) What is Inventory? What are the methods of Inventory valuation?	
(d) From the following information of Fairy Ltd. Find out Stock Turnover Ratio.	
Opening Stock	2,00,000
Closing Stock	1,50,000
Purchase	22,00,000
Sales	40,00,000
Purchase Expenses	1,00,000
Wages	2,50,000
(e) Give the formula of Rate of Dividend and value of Shares on the Basis of Dividend Rate Method.	
(f) Write down the Journal Entries form the following information of Janki.	
January, 2025	

1. Started business with Furniture of Rs. 5,00,000, Cash Rs. 15,00,000 and Stock Rs. 2,00,000.
 2. Purchased goods of Rs. 5,00,000 from Ram @10% trade discount and 5 % cash discount. Half of the amount paid to Ram.
- (g) Explain Sales Return book and Purchase Return book with Format.
- Q.2 (a)** Explain the meaning and difference between GAAP and IFRS. **07**
- (b)** From the following information, calculate Cash Flow from Operating Activities: **07**

Particulars	31-03-2025 (₹)	31-03-2024 (₹)
Profit and Loss a/c	45,000	30,000
Depreciation Reserve a/c	90,000	70,000
Goodwill	40,000	55,000
Stock	60,000	45,000
Debtors	50,000	90,000
Creditors	40,000	60,000
Bills Payable	70,000	20,000
Prepaid Expenses	10,000	15,000

Additional Information:

- i) Dividend received ₹ 2,000
- ii) Interest Paid ₹ 3,000
- iii) Rent received ₹ 10,000

OR

- (b)** Prepare Receipt and Payment Account from the following information of Sargam Club. **07**

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening Cash balance	1,000	Sale of sports materials	1,200
Opening Bank balance	7,200	Donation received for pavilion	4,600
Subscription collected for:		Rent paid	3,000
2023-24 Rs. 500		Sports material	4,800
2024-25 Rs. 7,600		Purchase of refreshment	600
2025-26 Rs. 900	9,000	Expenses for maintenance of tennis court	2,000
Sale of refreshment	1,000	Salary paid	2,500
Entrance fees received	1,000	Tournament expenses	2,400
		Furniture purchased	1,500
		Office expenses	1,200
		Closing cash in hand	400

Q.3 (a)

07

Liabilities	Rs.	Assets	Rs.
Issued Capital in Rs. 10 each	20,00,000	Fixed Assets	25,00,000
Reserves	4,50,000	Current Assets	10,00,000
P & L A/c	1,00,000	Goodwill	2,00,000
5% Debentures	5,00,000		
Current Liabilities	6,50,000		
	37,00,000		37,00,000

On 31st March 2025, the fixed assets were independently valued at Rs. 17,50,000 and the Goodwill at Rs. 2,50,000.

The net profits for the three years were Rs. 2,58,000; Rs. 2,60,000 and Rs. 2,58,250, of which 20% was placed to reserve, the proportion being considered reasonable in the industry in which the company is engaged and where a fair investment return may be taken at 10%.

Compute the Fair Value of each share.

- (b) What do you mean by Valuation of Shares? Explain its need. 07

OR

- (a) Following are the balances of Vijay Ltd as on 31st march, 2016. Prepare statement of Profit and loss statement as per Companies Act,2013 with notes, for the year ended 31st March,2016. 07

Particulars	Rs.
Stock 1/4/2015	3,00,000
Fixtures	28,800
Sundry Debtors	3,48,000
Goodwill	1,00,000
Debenture Interest	36,000
Bills payable	1,52,000
Sales	16,60,000
Provision for Bad-debts	14,000
Premises	12,00,000
Interim dividend paid	30,000
Purchases	7,40,000

Bad debts	8440
6% Debentures	12,00,000
Sundry Creditors	2,00,000
8% Govt. Securities (Taken on 31/3/2016)	2,40,000
Cash in hand	3,000
Cash at Bank	1,59,600
wages	3,39,200
General Expenses	67,600
Salaries	58,000
Share Capital (18400 shares of Rs.10 each)	18,40,000
Calls in arrears	30,000
Plant and machinery	14,40,000
Preliminary expenses	20,000

Freight	52,400
Directors fees	22,960
Profit & Loss a/c (credit)	58,000
General Reserve	1,00,000

Adjustment

1. Authorised capital of the company is 25,000 equity shares of rs. 100 each.
2. Depreciate plant and machinery by 10% and Fixtures by 5%.
3. Write off 1/5 of preliminary expenses.
4. Provide final dividend at 5%.
5. Transfer Rs.40, 000 to general reserve.
6. The stock on 31st march, 2016 was Rs. 4, 04, 000.
7. Make provision for income tax to the extent of Rs. 1,00,000.
8. Bad debts provision is made at 5% on sundry debtors.

- (b) Prepare Balance sheet from above information, as per Companies Act,2013 with notes. **07**

Q.4 (a) What is Ratio Analysis? Explain its objectives and limitation. **07**

- (b) From the following information find out Current and liquid ratio: **07**

Particulars	Rs.	Particulars	Rs.
Stock	3,00,000	Bills Receivable	75,000
Debtors	2,50,000	Bad debts reserve	20,000
Cash and cash equivalent	1,20,000	Expenses paid in advance	60,000
Furniture	1,60,000	Creditors	2,00,000
Bills Payable	60,000	Outstanding expenses	50,000
Short-term loan	40,000		

OR

- (a) What do You mean by Inventory Valuation? Give the difference between Periodic and Perpetual Inventory System. **07**
- (b) Prepare Stock Register as per FIFO method from the following information: **07**

January 1st, 2025 Balance of 500 kg of wheat @ Rs. 42

January 3rd, 2025 Purchased 300 kg of wheat @ Rs. 43

January 5th, 2025 Purchased 500 kg of wheat @ Rs. 45

January 13th, 2025 Issued 900 kg of wheat

January 23rd, 2025 Purchased 450 kg of wheat @ Rs. 41

January 25th, 2025 Issued 750 kg of wheat

Note: There is a shortage of 15 kg on 21st January,2025.

Q.5 (a) "Receipt & Payment Account is different than Income & Expenditure Account." Are agree with this statement? Explain by giving difference between this two. **07**

(b) From the Receipt and Payment Account of N.D. Club, prepare Income and Expenditure Account for the year ended on March 31st, 2024. **07**

Receipt and Payment Account

Receipts	Amt. Rs.	Payments	Amt. Rs.
Balance b/d (cash on hand)	3,200	Salary	1,500
Subscriptions	22,500	Rent	800
Entrance Fees	1,250	Electricity	3,500
Donations	2,500	Taxes	1,700
Rent of Hall	750	Printing and Stationery	380
Sale of Investment	3,000	Sundry expenses	920
		Book purchased	7,500
		Govt, bond Purchased	10,000
		Fixed Deposit with Bank (on 31st March,2024)	5,000
		Balance c/d	
		Cash in hand 400	
		Bank balance 1,500	1,900

OR

(a) Explain in detail any 7 Accounting Concepts.

07

- (b)** Prepare Stock Register as per WAC method from the following information:

07

January 1st, 2025 Balance of 500 kg of wheat @ Rs. 42

January 3rd, 2025 Purchased 300 kg of wheat @ Rs. 43

January 5th, 2025 Purchased 500 kg of wheat @ Rs. 45

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