

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-I-EXAMINATION-SUMMER-2025

Subject Code: MB01095011**Date: 31/05/2025****Subject Name: Financial Accounting & Reporting****Time: 02:30 PM TO 05:30 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.

Q. No.	Question Text and Description	Marks
Q.1	Explain the following terms. a) Accounting b) Accounting Equation c) GAAP d) Horizontal Analysis e) FIFO f) Trend Analysis g) Preliminary Expense	14
Q.2 (a)	Explain the following accounting concepts with suitable examples: 1. Business Entity Concept 2. Money Measurement Concept 3. Going Concern Concept	07
(b)	Define Financial Accounting, Management Accounting, and Cost Accounting. Highlight key differences among them.	07
OR		
(b)	Pass journal Entries. 1. The business started with ₹5,00,000 cash. 2. Purchased goods worth ₹80,000 in cash. 3. Sold goods worth ₹1,00,000 to Mr. B on credit. 4. Paid office rent ₹10,000 in cash. 5. Purchased machinery for ₹1,50,000, paying ₹50,000 in cash and the rest on credit. 6. Received ₹1,00,000 from Mr. B for the goods sold earlier. 7. Goods worth ₹20,000 burned by fire (no insurance claim).	07
Q.3 (a)	What is Corporate P & L A/C? Draw the proforma of Corporate P & L A/C (Vertical) with hypothetical figures.	07
(b)	Differentiate between Provisions and Reserves.	07
OR		
Q.3 (a)	What is a Corporate Balance Sheet? Draw the proforma of the Corporate Balance Sheet (Vertical) with hypothetical figures.	07
(b)	What is Expenditure? Explain Types of Expenditure in detail.	07
Q.4 (a)	Explain the purpose and key components of the Management Discussion and Analysis (MD&A) section in a company's annual report. Why is MD&A important for stakeholders?	07

- (b) What are the mandatory components of the Director's Report and Auditor's Report as per the Companies Act, 2013? Explain the importance of Schedule III in the preparation of financial statements. 07

OR

- Q.4** (a) What is a Statement of Changes in Equity? Illustrate its purpose and discuss how non-controlling interest is presented in the financial statements as per the Companies Act, 2013. 07

- (b) Discuss the significance of convergence of Indian Accounting Standards (Ind AS) with International Financial Reporting Standards (IFRS). 07

- Q.5** The following is the record of receipts and issues of a certain materials in a factory during the first week of April.

April 1	Opening balance 100 tonnes @ Rs. 10 per tonne, issued 60 tonnes
2	Received 120 tonnes @ Rs. 10.10 per tonne
3	Issued 50 tonnes
4	Received back from work order 20 tonnes (originally issued at Rs.9.90 per tonne)
5	Issued 80 tonnes
6	Received 44 tonnes @ Rs. 10.20 per tonne
7	Issued 66 tonnes

- (a) Prepare the store's Ledger under the FIFO. 07
 (b) Prepare the store's Ledger under the LIFO. 07

OR

- Q.5** (a) Why is it necessary to calculate depreciation in accounting? Discuss the various factors that are considered while calculating depreciation and explain how they impact the financial statements of a company.

- (b) The Balance Sheet of Gujarat Auto Limited as on 31-12-2002 was as follows:

Particular	Rs.	Particular	Rs.
Equity Share Capital	40000	Plant and Machinery	24000
Capital Reserve	8000	Land and Buildings	40000
8% Loan on Mortgage	32000	Furniture and Fixtures	16000
Creditors	16000	Stock	12000
Bank Overdraft	4000	Debtors	12000
Taxation Current	4000	Investment (Short Term)	4000
Taxation Future	4000	Cash in Hand	12000
Profit and Loss A/c	12000		
	120000		120000

From the above, compute 1) Current Ratio, 2) Quick Ratio, 3) Debt-equity Ratio, and 4) Proprietary Ratio.
