

Manipal Academy of Higher Education

MHA 1 st Year, Block 2

Subject- MHA 523: Accounts and Financial Management

November 6, 2021

Time: 10 am to 1 pm

Max Marks: 60

Answer all questions.

1. Explain the functions of Financial Management. (10 Marks)

2. Journalize the following transactions and prepare ledger accounts namely Rent and advertising account.

			Rs.
2020	March 5	Machinery purchased	18,000
" "	9	Paid advertising charges	14,500
" "	10	Purchased new Machinery for cash	2,000
" "	18	Paid wages	4,000
" "	20	Sold Furniture for cash	4,500
" "	22	Sold goods for cash	6,000
" "	27	Withdrew from Bank for office use	4,000
" "	30	Paid rent	5,000

(10 Marks)

3. Identify the following accounts as

- a) Personal Accounts
- b) Real accounts
- c) Nominal Accounts.

- 1. Bank a/c 2. Commission a/c 3. Mohit's a/c
- 4. Land a/c 5. Sales returns a/c 6. Postage a/c
- 7. Salaries a/c (paid) 8. Rent a/c (paid)
- 9. Capital a/c .10. Drawings a/c

(10 Marks)

4. You are required to prepare Trial Balance of Mr. Rajan, a Trader as on 31st December 2019

Bills Payable	10,000
Cash in hand	2,000
Opening stock	3,500
Creditors	4,900
Debtors	18,200

Drawings	5,130
Sales	91,800
Purchases	81,200
Wages	7,200
Other expenses	5,170
Furniture	4,000
Goodwill	4,000
Capital	33,700
Machinery	10,000

(10 Marks)

5. From the following data, calculate the amount of working capital required.

Stock of raw materials Rs.95000  
Work-in-progress Rs.50000  
Finished goods Rs.90000  
Debtors Rs.105000  
Amount paid in advance Rs.120000  
Cash Rs.105000  
Sundry creditors Rs 150000  
Outstanding wages Rs.75000  
Safety margin 10%

(10 Marks)

6. Explain the significance of working capital management in an organization.

(10 Marks)

