## GUJARAT TECHNOLOGICAL UNIVERSITY MBA (TM) – SEMESTER – VI • EXAMINATION – SUMMER 2016

	•		Date: 03/05/2016	
Subject Name: Financial Accounting Time: 10.30 am -1.30 pm Instructions:  Total M			70	
	1. 2.	Attempt all questions.		
Q.1	(a)	What is accounting and why it is needed?	07	
	<b>(b)</b>	What is GAAP? Why these GAAPs are framed? Explain	07	
Q.2	(a)	What is Income? How it is treated in accounting system?	07	
	<b>(b)</b>	What is double entry system? How it is different than a single entry system?	07	
		OR		
	<b>(b)</b>	What is capital income? Differentiate between the capital and revenue income?	07	
Q.3	(a)	Explain accounting cycle in details?	07	
	<b>(b)</b>	What is journal? Explain the general rule of debit and credit.	07	
		OR		
Q.3	(a)	What is trial balance? Make a hypothetical Performa of trial balance?	07	
	<b>(b)</b>	"Ledger is a step ahead of journal". Explain the statement.	07	
Q.4	(a)	What are the accounting errors? How they can be find out in an accounting system?	07	
	<b>(b)</b>	What is suspense account? Why it is created? What are the benefits of it and	07	
		how it can be closed down?		
		OR		
Q.4	(a)	Final accounts depict picture of true and fair!" critically explain the concept.	07	
	<b>(b)</b>	Prepare hypothetical Performa of profit and loss account along with trading	07	
		account.		

- Q.5 (a) What is Depreciation? How it is charged? What are the general norms of 07 charging depreciation?
  - (b) What are the different methods of charging depreciation? Explain written down value and straight line method in detail.

## OR

- Q.5 (a) What is replacement cost? Explain the accounting treatment of replacement 07 cost?
  - **(b)** What is depletion, amortization and dilapidation? How it is different than **07** depreciation?

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