


Name:			
Enrolment No:			
<b>UNIVERSITY OF PETROLEUM AND ENERGY STUDIES</b> <b>End Semester Examination, December 2018</b>			
<b>Course: Energy Industry Accounting</b> <b>Programme: MBA (ET)</b> <b>Time: 03 hrs.</b> <b>Instructions: Scientific Calculator is allowed</b>		<b>Semester: I</b> <b>Code: FINC 7005</b> <b>Max. Marks: 100</b>	
<b>NOTE : ATTEMPT ALL QUESTIONS</b>			
<b>SECTION A</b>			
S. No	Multiple Choice Questions	Marks	CO
1	The amount invested by the owner should be credited to a) Cash account b) Capital account c) Drawing account d) Bank account	2	3
2	For estimating the amount of depreciation which of the following concept of time value is applicable: a) Present Value b) Present Value Compounding c) Annuity d) Annuity Compounding	2	2
3	General reserve is created on the basis of convention of- a) Conservatism b) Uniformity c) Materiality d) Full disclosure	2	2
4.	Cost Assessment provides the valuation of stock on the basis of a) Cost or market price whichever is less b) Cost price c) Cost or market price whichever is higher d) Both (a) &( b) above	2	1
5	The Fixed cost is a cost: a) Which changes in total in proportion to changes in output b) Which is partly fixed and partly variable in relation to output c) Which do not change in total during a given period despite changes in output d) Which remains same for each unit of output	2	4

6	Decrease in the value of an intangible asset is known as  a. Depletion b. Depreciation c. Dilapidation d. Amortization	2	4
7	“Bank” is a _____ type of account. a. Representative Personal Account b. Real Account c. Nominal Account d. Natural Personal Account	2	3
8	The profit of R Ltd. before charging manager’s commission is Rs.66,000. If the manager is entitled to a commission of 10% on profit after charging such commission, the commission payable to the manager is  a. Rs.6,000 b. Rs. 5,000 c. Rs. 5,500 d. Rs. 9,090	2	1
9	M/S Mohan Dass and Co. were running the business of Electronic Goods. On 30 <sup>th</sup> June 2007, goods worth of Rs. 10,000 were burnt by fire and claim of 70% has been accepted by the Insurance Company. M/S. Mohan Dass and Co. would show how much amount in the debit side of Profit and Loss Account as loss  a. Rs. 7,000 b. Rs. 3,000 c. Rs.10,000 d. Rs.6,000	2	1
10	Reserves and Surpluses is an asset for the organization. (T/F)	2	2
<b>SECTION B</b>			
11	Write a short note on “Provision for bad debts”.	5	4
12	Write a short note on “Sum of Years Method”	5	3
13	Write a short note on “Depletion Method of charging depreciation”	5	4
14	Write a short note on “ Conservatism”	5	3

**SECTION-C**

15	<p>18. On 1st April, 2009, the following were Ledger balances of Messrs Ram Lal &amp; Co.:</p> <p>Cash in Hand Rs. 300; Cash at Bank Rs. 7,000; Bills Payable Rs. 1,000; Zahir (Dr.) Rs. 800; Stock Rs. 4,000; Gobind (Cr.) Rs. 2,000; Sharma (Dr.) Rs. 1,500; Ram Lal (Cr.) Rs. 900; Capital Rs. 9,700.</p> <p>Transactions during the month were:</p> <table border="1" data-bbox="332 514 1226 819"> <thead> <tr> <th>2009</th> <th></th> <th>Rs.</th> <th></th> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>April 2</td> <td>Bought goods of Gobind</td> <td>900</td> <td>April 18</td> <td>Received from Sharma by cheque</td> <td>2,000</td> </tr> <tr> <td>April 3</td> <td>Sold goods to Sharma</td> <td>1,000</td> <td></td> <td>Allowed him discount</td> <td>50</td> </tr> <tr> <td>April 5</td> <td>Bought goods of Ram Lal</td> <td>1,200</td> <td>April 20</td> <td>Sold goods to Sharma</td> <td>800</td> </tr> <tr> <td>April 8</td> <td>Sold goods to Zahir</td> <td>500</td> <td>April 20</td> <td>Paid rent by cheque</td> <td>150</td> </tr> <tr> <td>April 15</td> <td>Paid Gobind by cheque</td> <td>1,500</td> <td>April 25</td> <td>Sold goods to Zahir</td> <td>1,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>April 30</td> <td>Paid salaries in cash</td> <td>300</td> </tr> </tbody> </table> <p>Pass necessary Journal Entries in the books of Ramlal &amp; Co.</p>	2009		Rs.			Rs.	April 2	Bought goods of Gobind	900	April 18	Received from Sharma by cheque	2,000	April 3	Sold goods to Sharma	1,000		Allowed him discount	50	April 5	Bought goods of Ram Lal	1,200	April 20	Sold goods to Sharma	800	April 8	Sold goods to Zahir	500	April 20	Paid rent by cheque	150	April 15	Paid Gobind by cheque	1,500	April 25	Sold goods to Zahir	1,000				April 30	Paid salaries in cash	300	10	3
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16	<p>XYZ purchases an asset worth Rs 8,00,000 with an estimated scrap value of Rs 1,00,000 and useful life of 5 years. The company intends to invest the depreciation in the market and charge depreciation by sinking fund method. The expected rate of interest is 12% per annum during the period of investment. At the end of the life of the asset the investments were sold at a value of Rs 8,60,000. The asset was sold at a scrap of Rs 60,000. Prepare a schedule of depreciation. Pass necessary journal entries and prepare depreciation fund investment, depreciation fund and asset account.</p>	10	5																																										
17	<p>Discuss the accounting concepts with appropriate examples.</p>	10	5																																										

**SECTION-D**

18	<p>The following is the trial balance of M/s X. Prepare Manufacturing, Trading, profit and loss account and Balance sheet as on 31<sup>st</sup> March, 2015</p>						
Particulars		Amount (Dr.) `	Particulars		Amount (Cr.) `		
Drawings		2,000	Capital		45,000		
Stock (1.4.2016)		15,000	Creditors		45,000		
Plant		22,000	Sales		53,000	30	4
Furniture		1,500	Purchase return		925		
Debtors		40,000	Bills payable		1,600		
Bank		18,000	Reserve for bad debt		1,000		
Cash		950	Commission		1,000		
Purchases		32,000					
Discount		1,200					
Carriage on purchase		1,500					

Insurance	600			
Rent & Taxes	1,200			
Salary	8,300			
Sales return	1,000			
Bills receivable	1,700			
Printing	575			
Total	147,525		147,525	
<p><b><u>Adjustments:</u></b></p> <p>a) Salary Rs 900 and rent Rs100 are outstanding</p> <p>b) Tax Rs 50 is prepaid</p> <p>c) There is a bad debt of Rs 600 and provided Rs 1,200 for bad and doubtful reserves</p> <p>d) Rs 200 commission is due to be received</p> <p>e) Interest @6% is to be provided on capital and drawings</p> <p>f) The salesperson's commission is proposed to be paid at a rate of 8% on profit after charging such commission.</p> <p>g) Depreciate plant by 5% and furniture by 10%</p> <p>h) Value of closing stock is Rs. 20,000</p>				