

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Accounting for Power Sector/Financial Accounting
Programme: MBA PM/IB
Time: 03 hrs.
Instructions:

Semester: I
CC: FINC7002
Max. Marks: 100

SECTION A

S. No.	Attempt all questions	Marks	CO
Q1	Business transactions are recored a) In chronological order b) weekly c) at the end of the month d) on quarterly basis	2	CO1
Q2	Book keeping is mainly concerned with a) Recording financial data relating to business operations b) Designing for systems recording, classifying and summarizing recorded data c) Interpreting data for internal and external users. d) All the above	2	CO2
Q3	According to the going concern concept, a business is viewed as having a) a limited life b) a very long life c) an indefinite life d) none of these	2	CO3
Q4	. Which of the following is an indicator of liquidity? a) Current ratio b) debt-equity ratio c) Interest coverage ratio d) EPS	2	CO3
Q5	A machinery which costs Rs 2,00,000 is depreciated at 25% per year using the written down value method. At the end of three years, it will have a net book value of a) Rs 1,50,000 b) Rs 84,375 c) Rs 1,12,500 d) Rs 1,20,000	2	CO1
Q6	If a company has liabilities of Rs 38,000 and owner's equity of Rs 1,14,000 , the assets of the company are a) Rs 76,000 b) Rs 1,52,000 c) Rs 1,24,000 d) Rs 38,000	2	CO4
Q7	What are derivative contracts?	2	CO4

Q8	P/E multiple is computed with: a) Profit and equity b) Market price per share and equity c) Market price and earning per share d) All of the above	2	CO2
Q9	The properties owned by a business enterprise are called a) Assets b) Liabilities c) Capital d) Owner's equity	2	CO1
Q10	Economic events that affect the financial position of a business are called a) Separate entities b) Business transactions c) Money measures d) Financial actions	2	CO4
SECTION B			
S.No.	Attempt any four questions		
Q 1	What do you mean by Accounting? Describe briefly its characteristics and objectives.	5	CO2
Q2	Write short notes on the following: i) Going concern principle ii) Full Disclosure principle	5	CO3
Q3.	On April 01, Mohan Enterprise Limited purchased a Machine for Rs. 3,10,000 which includes freight of Rs. 5,000 but not the installation charges of Rs. 10,000. Compute the cost of the asset to be capitalized for computing depreciation.	5	CO2
Q4.	What is a Trial Balance and why it is prepared?	5	CO4
Q5.	Distinguish between Provision and Reserve	5	CO4
SECTION-C			
S.No.	Attempt any three questions		
Q1	Explain in 50 words each, the importance of the following ratios: i) Debtor Turnover Ratio ii) Debt-Equity Ratio iii) Current Ratio iv) P/E Ratio v) Operating Profit margin	10	CO1

Q2	<p>Journalise the following transactions in books of shri Ganesh</p> <ul style="list-style-type: none"> i) Shri Ganesh started his business with cash.....50,000 ii) Purchased goods.....5,000 iii) Purchased goods for cash.....6,000 iv) Sold goods for cash.....10,000 v) Paid salary to Mr. A.....4,000 vi) Rent Received.....800 vii) Drew cash for personal purposes.....2,000 viii) Furniture purchased from Shyam on credit.....4,000 ix) Paid for stationary.....500 x) Carriage paid.....400 	10	CO4																																																						
Qa3.	<p>From the following Trial Balance prepare the Trading and Profit and Loss account for the year ended 31st March 2018 and the Balance sheet as on that date after taking</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: right;">290000</td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">7600</td> <td></td> </tr> <tr> <td>Purchases & Sales</td> <td style="text-align: right;">89000</td> <td style="text-align: right;">150000</td> </tr> <tr> <td>Sales Returns and Purchase Returns</td> <td style="text-align: right;">2800</td> <td style="text-align: right;">4500</td> </tr> <tr> <td>Stock (1st april,2017)</td> <td style="text-align: right;">12000</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">8000</td> <td></td> </tr> <tr> <td>Building</td> <td style="text-align: right;">220000</td> <td></td> </tr> <tr> <td>Freight & Carriage</td> <td style="text-align: right;">20000</td> <td></td> </tr> <tr> <td>Trade Expenses</td> <td style="text-align: right;">2000</td> <td></td> </tr> <tr> <td>Advertisement</td> <td style="text-align: right;">2400</td> <td></td> </tr> <tr> <td>Interest</td> <td></td> <td style="text-align: right;">3500</td> </tr> <tr> <td>Taxes and Insurance</td> <td style="text-align: right;">1300</td> <td></td> </tr> <tr> <td>Debtors & Creditors</td> <td style="text-align: right;">65000</td> <td style="text-align: right;">12000</td> </tr> <tr> <td>Bills Receivables and Bills Payables</td> <td style="text-align: right;">15000</td> <td style="text-align: right;">7000</td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">12000</td> <td></td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: right;">1900</td> <td></td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">8000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">467000</td> <td style="text-align: right; border-top: 1px solid black;">467000</td> </tr> </table> <p>Into account the adjustments given below:</p>	Capital		290000	Drawings	7600		Purchases & Sales	89000	150000	Sales Returns and Purchase Returns	2800	4500	Stock (1 st april,2017)	12000		Wages	8000		Building	220000		Freight & Carriage	20000		Trade Expenses	2000		Advertisement	2400		Interest		3500	Taxes and Insurance	1300		Debtors & Creditors	65000	12000	Bills Receivables and Bills Payables	15000	7000	Cash at bank	12000		Cash in hand	1900		Salaries	8000			467000	467000	10	CO3
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	i) Stock as on 31 st March 2018 valued at Rs 15000; ii) Insurance was prepaid to the extent of Rs 400; iii) Outstanding liabilities were : Salaries Rs 2,000 and Taxes Rs 1300. iv) Depreciate building @ 2% p.a.		
Q4.	Ram Bros. acquired a machine on 1st July 2006 at a cost of Rs, 1,40,000 and spent Rs.10,000 on its installation. The firm writes off Depreciation at 10% of the original cost every year. The books are closed on 31st December every year. Show the Machinery Account and Depreciation Account for the year.	10	CO2

SECTION-D

S.No.	Attempt any two questions					
Q1.	The following are the summarized profit and loss account of Rajasthan Product Limited for the year ending 31 st March, 2012 and balance sheet on that date					
	Particulars	Rs	Particulars	Rs		
	To opening stock	1,50,000	By Sales	10,00,000		
	To Purchases	3,00,000	By Closing Stock	2,50,000		
	To Direct Wages	2,00,000				
	To Manufacturing Expenses	1,00,000				
	To Gross Profit c/d	5,00,000				
		12,50,000		12,50,000		
	To Administrative Expenses	50,000	By Gross Profit b/d	5,00,000		
	To Selling & Distribution Exp.	50,000	By Profit on sale of Invst.	50,000		
	To Loss on Sale of Fixed Assets	55,000				
					30	CO3

To Interest on Debentures	10,000		
To Net Profit	3,85,000		
	<u>5,50,000</u>		<u>5,50,000</u>

Balance Sheet

Liabilities	Rs	Assets	Rs
Equity Share Capital	1,00,000	Fixed Assets	2,50,000
Preference Share Capital	1,00,000	Stock-in-Trade	2,50,000
Reserves	1,00,000	Sundry Debtors	1,00,000
5% Debentures	2,00,000	Cash at Bank	50,000
Sundry Creditors	1,00,000		
Bills Payable	50,000		
	<u>6,50,000</u>		<u>6,50,000</u>

Calculate the appropriate ratios.