

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination (Online) – Jan , 2021

Program: MBA With Specialization in HR/Marketing/Finance/Operations Semester : I
Subject/Course: Accounting for Managers Max. Marks: 100
Course Code: FINC7010 Duration : 3 Hours

Section A

Each question carries 5 marks.

S No	Questions:	CO
Q1	Cost Center is defined as a. Location b. Item c. Equipment d. All of the above	CO1
Q2	Cost of Goods sold is equal to.....	CO1
Q3	Capital Employed is defined as	CO1
Q4	Purchase of land and Building isactivity	CO1
Q5	If the Sales are Rs. 30650, Sundry Debtors at the beginning of the year are Rs. 1200 and at the end of the year are Rs. 1,700. Cash Receipt from the customers would be a. Rs. 30650 b. Rs. 30150 c. Rs. 40150 d. Rs. 33550	CO1
Q6	The major considerations/factors governing the selection of accounting policy as per AS-1 are a. Prudence, Substance over Form, Materiality b. Accrual, Cost, Consistency c. Prudence, Accrual, Conservatism d. Matching Concept, Prudence, Cost	CO1

Section B

1. Each question carries 10 marks.
2. Instructions: Write short answers.

Q7	<p>From the following Ratios, prepare the Balance Sheet of the firm:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Inventory Turnover Ratio</td> <td style="text-align: right;">6 Times</td> </tr> <tr> <td>Capital Turnover Ratio (Cost of Sales/ Capital)</td> <td style="text-align: right;">2 Times</td> </tr> <tr> <td>Fixed Assets Turnover Ratio (Cost of Sales/Fixed Assets)</td> <td style="text-align: right;">4 Times</td> </tr> <tr> <td>Gross Profit Ratio</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Debtor Collection Period</td> <td style="text-align: right;">2 months</td> </tr> <tr> <td>Creditor/Average Payment Period</td> <td style="text-align: right;">73 Days</td> </tr> </table> <p>The gross profit is Rs. 60,000. Closing Stock is Rs. 5000 in excess of opening stock</p> <p style="text-align: center;">OR</p> <p>How Leverage /Capital Structure Ratios, Profitability Ratios and Activity Ratios are assessed by corporates?</p>	Inventory Turnover Ratio	6 Times	Capital Turnover Ratio (Cost of Sales/ Capital)	2 Times	Fixed Assets Turnover Ratio (Cost of Sales/Fixed Assets)	4 Times	Gross Profit Ratio	20%	Debtor Collection Period	2 months	Creditor/Average Payment Period	73 Days	CO2						
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Q8	<p>Explain the Following Accounting Concepts with example:</p> <ol style="list-style-type: none"> a. Accrual Concept b. Conservatism Concept c. Dual Aspect Concept d. Materiality Concept 	CO2																		
	<p>How Cost Sheet is prepared? Explain with Example</p> <p style="text-align: center;">OR</p> <p>Prepare Cost sheet from the following data:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 40%;">Opening Material</td> <td style="text-align: right;">Rs. 30,850</td> </tr> <tr> <td>Opening Work in Progress</td> <td style="text-align: right;">Rs. 60,850</td> </tr> <tr> <td>Purchase of Material</td> <td style="text-align: right;">Rs. 1,43,250</td> </tr> <tr> <td>Direct Wages</td> <td style="text-align: right;">Rs. 178,500</td> </tr> <tr> <td>Factory Overhead</td> <td style="text-align: right;">Rs. 1,42,800</td> </tr> <tr> <td>Office and Admin Overhead</td> <td style="text-align: right;">Rs. 1,12,700</td> </tr> <tr> <td>Closing Material</td> <td style="text-align: right;">Rs. 37,700</td> </tr> <tr> <td>Closing Work in Progress</td> <td style="text-align: right;">Rs. 67,750</td> </tr> <tr> <td>Sales for the year</td> <td style="text-align: right;">Rs. 8,60,625</td> </tr> </table>	Opening Material	Rs. 30,850	Opening Work in Progress	Rs. 60,850	Purchase of Material	Rs. 1,43,250	Direct Wages	Rs. 178,500	Factory Overhead	Rs. 1,42,800	Office and Admin Overhead	Rs. 1,12,700	Closing Material	Rs. 37,700	Closing Work in Progress	Rs. 67,750	Sales for the year	Rs. 8,60,625	CO3
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Q10

From the following adjustments and with the help of Trial Balance prepare a trading , Profit & Loss and Balance Sheet as on 31st March 2020:

Dr. Balances	Amount (Rs.)	Cr. Balances	Amount (Rs.)
Building	30,000	Share Capital	25,000
Furniture	2640	Return Outward	1600
Vehicle	4,000	Sales	56,040
Return Inward	2300	Bad Debts Provision	700
Stock on April 1, 2019	8,000	Bank Loan	5,000
Purchases	33,800	Commission	900
Bad Debts	300	Creditors	8,000
Carriage inward	700		
General Expenses	1200		
Interest on Bank Loan	300		
Insurance and Taxes	2,000		
Vehicles Expenses	2600		
Salaries	4,400		
Cash in Hand	2000		
Debtors	3,000		
	97,240		97,240

CO3**Adjustments:**

1. Stock on 31st March 2020 was valued at Rs. 4340
2. Commission include Rs. 300 being commission received in advance
3. Salaries have been paid for 11 months
4. Bank Loan have been taken at 10% p.a. interest
5. Depreciate building by 5% and Vehicle by 15%
6. Vehicle is used for business as well as private purposes equally
7. Write off Rs. 200 as further bad debts and maintain bad debts provision at 5 % on debtors.

You are required to prepare the Financial Statements for the year ending 31st March 2020 taking in to account the above mentioned adjustments

OR

How Company prepare Financial Statements including Profit and Loss Appropriation Account

Q11	Give the Journal Entries for the following transactions in the books of TN Limited	CO4
2020		Rs
June 1	Cash deposited in to Bank	6,00,000
June 2	Bought goods of the list price of Rs. 80,000 from Nupur Traders less 20% trade discount and 3% cash discount and 60% amount is paid immediately	
June 4	Received a Cheque from X	18000
June 5	Purchased goods from Kailash of the list price of Rs.70,000 at 10% trade discount and paid him by Cheque	
June 6	Sold goods for cash and received a Cheque	70,000
June 6	Rent Paid	50,000
June 7	Deposited the above Cheque received on June 6 th in to the bank	
June 8	Mohan deposited in to our bank account	8,000
June 9	Paid GST	19,000
June 10	Received a Cheque from Y and sent to the bank Discount allowed	20,000 10,000
June 12	Withdrew from bank for office use For personal use	12,000 7,500
June 14	Payment to Z	9,800
June 14	Goods given as Charity	70,000

Section C

1. Question carries 20 marks.

2. Show all the steps in calculating the required values until four decimal places.

Q12

How Cash Flow Statement is prepared according to AS 3

CO4

OR

From the following information as contained in the Income Statement and the balance sheet of Mega Ltd., Prepare a Cash Flow Statement.

Income Statement for the year ended 31/03/2020

	Rs.	Rs.
Net Sales		25,20,000
Less :		
Cost of Sales	19,80,000	
Depreciation	60,000	
Salaries & Wages	2,40,000	
Operating Expenses	80000	
Provision for Taxation	80000	24,48,000
Net Operating Profit		72,000
Non Recurring Income		
Profit on sale of Equipment		12,000
Profit for the Year		84,000
Retained Earnings(balance of P& L brought forward)		1,51,800
		2,35,800
Dividend declared and paid during the year		72,000
Profit and Loss Account Balance as on 31/03/2020		1,63,800

Comparative Balance Sheets

	Rs.	Rs.
	As on 31-03-2019	As on 31-03-2020
Fixed Assets:		
Land	48,000	96,000
Building and Equipment	3,60,000	5,76,000
Current Assets:		
Cash	60000	72000
Debtors	1,68,000	1,86,000
Stock	2,64,000	96,0000
Advances	7800	9000
Total	9,07,800	10,35,000
Capital	3,60,000	4,44,000
Surplus in P & L a/c	1,51,800	1,63,800
Sundry creditors	2,40,000	2,34,000
Outstanding Expenses	24000	48,000
Income Tax Payable	12000	13,200
Accumulated Dep. on Building and equipment	1,20,000	1,32,000
Total	9,07,800	10,35,000

Cost of Equipment sold was Rs. 72,000