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## **Enrolment No:**

## UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

Online End Semester Examination, May 2020

Course:BUSINESS ACCOUNTSSemester:1STProgram:BBA (ABD + FB&E)Time:03 HoursCourse code:FINC1001Max. Marks:100

**Instructions: Attempt all the questions** 

amount of each account should appear.

## SECTION A ( **30 Marks**) 1. Each Question will carry 5 Marks 2. Instruction: Complete the statement / Select the correct answer(s) Marks Q.1. Ascertain liquid assets: Current ratio 3; Quick ratio 1; Current Assets Rs 90000 5 **CO1** Q.2. Income which has been earned but not received or recorded during the accounting 5 CO<sub>1</sub> period is called Depreciation is restricted to represent the fall in the book value of asset, Q.3. whereas depletion is applied to \_\_\_\_\_\_ assets and amortization to \_\_\_\_ 5 CO<sub>1</sub> According to going concern, a business entity is assumed to have Q.4. life. 5 **CO1** Q.5. Assets always have \_\_\_\_\_ balances. 5 **CO1** Ledger is a set of \_\_\_\_\_. Q.6. 5 **CO1 SECTION B** (50 Marks) 1. Each question will carry 10 marks 2. Instruction: Write short / brief notes Q.7. What, if at all, is wrong with the following accounting practices? i. A business records an expense for the electricity charges for the owner's home. ii. A business buys a car at an auction for Rs 40,000 and records it at that amount. 10 CO<sub>2</sub> One week later, the price of the car is Rs 50,000 and the business records the car at the new market value. "Debits = Credits". Explain Q.8. OR As manager, following transactions were encountered while preparing books. 10 CO<sub>2</sub> Analyze them and pass necessary entries for the same: Wages paid for erection of machinery Rs 8,000 Income tax liability of proprietor Rs 1,700 was paid out of petty cash. The following accounts appear in the Adjusted trial balance columns of a worksheet. Q.9. Tick the cell in the Statement of Profit & Loss or Balance Sheet column in which the 10 CO<sub>2</sub>

	ACCOUNT	P/I	P/L A/C		B/S			
		DEBIT	CREDIT	DEBIT	CREDIT			
	Electricity							
	expense							
	Cash							
	Prepaid rent							
	Dividends							
	Interest							
	income							
	Share capital							
	Prepaid							
	advertisement					_		
	Office							
	supplies							
	expense					_		
	Buildings					4		
0.10	Depreciation			0 11/1:1	0.1 0.11			
Q.10.	1 -			2. Which	of the following	g suggestions would		
	increase, decreas		nange it?					
	i. Issue of equity ii. Cash received		<b>14</b> 0				10	CO3
	iii. Redemption						10	COS
	iv. purchased go							
	v. Sale of land (b			for Rs 500	000			
Q.11						y wholesaler to a		
Q.11								
			is reasons. Whereas, discount is a deduction allowed by urchaser, provided the latter pays his bill promptly. Explain.				10	CO3
	ii. Provision is o					, 1		
				SECTION		( 20	Marks)	
			1. Each Q	uestion car	rries 20 Marks.		ŕ	
					e long answer.			
Q.12.	A) From the following							
	1. Current Assets				3. Liquid A	Assets		
	4. Share Capital	5.	Fixed Assets	S				
	Information:	-			<b>-</b>	1.115.1.1.5		
	Current Ratio 2.5			C 1 ) (		Liquid Ratio 1.5		
	Proprietary Ratio		ets/proprieta	ry funds) (		Bank O/D Rs 10,000		
	Working Capital There is no long		r fiatitions o	aggat	I	Reserves Rs 40,000	10 X 2	CO4
					e of a firm as o	on 31st March 2020:	= 20	CO4
	b) I offowing are	the extract		BALANC		on 51 Waren 2020.		
			AS ON 31 <sup>S</sup>					
	Sundry Debtors	(Dr)		s 4,10,000				
	Provision for do	` /		Rs 20,000	-			
	Bad Debts (Dr)		` /	Rs 6,000				
	Additional inform	mation:		,				

i. Additional bad debts Rs 10,000	
ii. Maintain the provision for doubtful debts @ 10% on debtors	
Pass necessary journal entries.	