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Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2023

Course: Business Accounting

Semester: 1st Semester Program: BBA ALL **Time: 03 Hours** Course code: FINC 1001 Max. Marks: 100

Instructions: Attempt all questions.

SECTION A 10 Q x 2M=20Marks

S. No.	Section A.	Marks	СО
Q1.	Each question carries 2 marks. (2 x 10) Capital is shown on the liability side because of:		
Q1.	a) Business Entity Concept. c) Conservatism Concept.	2	1
	b) Accrual Concept. d) Duality Concept. d) Duality Concept.		1
Q2.	Balance Sheet discloses-		
~	a) Cash position of the business b) Financial position of the business	2	1
	c) Income position of the business d) Profit-earning capacity of the business		
Q3.	The process of classifying transactions in the books of accounts is called		
	a) Journalizing b) Posting	2	1
	c) Summarizing d) Balancing		
Q4.	Depreciation is created because of:		
	a) Business Entity Concept. b) Conservatism Concept.	2	1
	c) Accrual Concept. d) Duality Concept.		
Q5.	Statement of Profit and Loss discloses-		
	a) Cash position of the business b) Financial position of the business	2	1
	c) Income position of the business d) Profit-earning capacity of the business		
Q6.	Current Ratio is a:		
	a) Efficiency Ratio b) Profitability Ratio	2	1
	c) Solvency Ratio d) Yield Ratio.		
Q7.	Cost of goods given as sample should be credited to:		
	a) Sales a/c b) Purchase a/c	2	1
	c) Advertisement a/c d) Purchase return a/c		
Q8.	The accounting equation based on dual aspect concept:	2	1
	a) Capital = liabilities- Assets c) Liabilities= Capital + Assets	2	1
	b) Assets = Equities d) Capital + Assets = Claims of outsiders		
Q 9	Plant and machinery account is a —		
	Under the straight-line method of depreciation, the amount of yearly depreciation-	2	1
	a) Remains the same b) Fluctuates		
	c) Increases year after year d) Decreases year after year		
Q10	A Schedule of balances drawn from ledger is called:		
	a) A trial balance b) A statement of affairs	2	1
	c) A balance sheet d) A statement of account		

	Section B Attempt any four questions. Each question is of 5 marks. (5 x 4) =20 marks		
Q 11.	Discuss the advantages and limitations of Business Accounting	5	2
Q 12.	Explain the concept of Financial Statement and analyze how it helps in decision making in an organization.	5	2
Q 13.	Examine the importance of Ratio Analysis.	5	2
Q 14.	Discuss the users of accounting information.	5	2
Q 15	Calculate gross profit ratio from the following information- Purchases Rs. 5,10,000. Opening stock Rs. 1,00,000; Closing stock Rs. 1,20,000; Credit Sales Rs. 4,20,000; Cash sales 40% of total sales; Cash sales 40% of total sales.	5	2
	Section C		
Q 16.	Attempt all questions. Each question is of 10 marks. (10 x 3) =30 'Trial Balance is not a conclusive proof of the accuracy of the books of accounts.' Explain this statement and explain the errors which are not disclosed in spite of the agreement of the trial balance.		
	Or on 1st January, 2006 A ltd, purchased a machine for Rs, 2,40,000 and spent Rs, 10,000 on its erection. on 1st July, 2006 an additional machinery costing Rs, 1,00,000 was purchased on 1st july 2008, the machine purchased on 1st january 2006 was sold for Rs, 1,43,00 and on the same date a new machine was purchased at a cost of Rs, 2,00,000. show the machinery account for the four calender year after charging depreciation at 5% by the straight line method.	10	3
Q 17	Journalize the following transactions, prepare ledger and trial balance. Nov.1 Commenced business with cash 1,00,000 Nov.5 Deposited into bank 30,000 Nov.8 Purchased goods for Rs. 1,40,000 in all, out of which half the goods was on credit from Mr. Sudhir. Nov.12 Sold goods to Praveen on credit 12,000 Nov.18 Paid cash to Shailesh 11,700 Discount allowed by him 300 Nov. 23 Purchased machinery for Rs. 50,000 by cheque and installation charges of machinery Rs. 2,500 paid in cash Nov.28 Paid for Advertisement 600 Nov.28 Paid Salary 2,000 Nov.30 Paid Rent 750 Nov 30 Withdrew cash for personal use 1,000	10	3
Q 18	The following figures are extracted from the books of X Ltd. Land & Building Rs 12,00,000 Plant & Machinery Rs 10,00,000 Equity Capital Rs 10,00,000 Preference Share Capital Rs 4,00,000 Stock Rs 4,80,000 Debtors Rs 4,00,000 Bank Rs 1,10,000 Other Current Assets Rs 10,000	10	3

	P & L A/c (Credit)			ac arva		Dc 2	00000			
	Creditors	·	00,000 R	ills Payable			00,000			
	Other Current Liabil			ebentures			5,00,000			
	Calculate: i) Debt Ed				ronrietary			z Ratio v)	,	
	Total asset to Debt ra		ii) Current	Katio III) I	ropricury	Ratio	iv) Quici	x ixatio v)		
	Total asset to Best 18	utio	Sec	ction D						
	Attempt both quest	ions. Each			arks. (15	$(\mathbf{x} \ 2) =$	30			
Q19.	How is the Cash flow to the Cash Flow sta	w from oper	rating, inve					referring	5	
	From the followin statement for the year	-			nints Ltd	prepa	re the c	ash flow	,	
	Liabilities	31.3.2018	31.3.2019	Assets		3	1.3.2018	31.3.201	9 15	4
	Equity Share Capital	2,25,000	2,50,000	Goodwill			36,000	20,00		_
	General Reserve	20,000	35,000	Buildings			80,000	60,00		
	Profit and Loss A/c	15,000	24,000	Plant			40,000	1,00,00		
	Creditors	37,500	49,500	Debtors			1,19,000	1,54,50		
	Cicuitors	37,300	17,500	Stock			10,000	15,00		
				Cash			12,500	9,00		
		2,97,500	3,58,500	Casii			1105000	156500		
Q20	The following are			ed from the	hooks o					
~ 20	The following are the balances extracted from the books of M/s EXE Ltd. as on 31st March 2019									
	Particulars				Amount (Rs.) Amount((Rs)					
							7 moun	t((IXS)		
	Land and Buildings Plant& Machinery					70,000				
	Loose Tools					0,000				
	Bills receivable					5,000				
	Opening Stock					50,000				
	Purchases				1,40,000					
	Sales				3,00,000					
	Wages Carriage Inward					10,000 5,000				
	Salaries					25,000				
	Rent &Taxes					5,000				4
	Discount allowed.					4,000				4
	Cash at Bank					7,000				
	Cash in hand Debtors					1,000				
	Bad debts					4,000				
	Furniture				2	20,000				
	Advertisement					8,000				
	Return Inward				1	5,000				
	Return Outward			12,000						
	Capital Creditors					1,50,000				
	Creditors						97,000	,		
							1		1	
	Total				5,59,	000	5,59,00	0		

Balance Sheet as on that date after taking following into consideration:

- Closing stock Rs. 70,000
- \blacktriangleright Depreciate machinery at 10%, loose tools at 20% , furniture at 10% and buildings at 5%
- Make a Provision of 5% on Debtors for Doubtful debts.
- > Outstanding wages were Rs. 2,000

Or

Create a clear and concise format of Balance Sheet and Statement of Profit and Loss including Surplus as per Part I and II of Schedule III under the Companies Act, 2013.