Name: **Enrolment No:**	UPES University of Tomorrow

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

Supplementary Examination, December 2023

Course: Business Accounting **Semester: 1st Semester**

Program: Integrated BBA-MBA **Time: 03 Hours**

Course code: FINC 1001 **Max. Marks: 100**

Instructions: Attempt all questions.

SECTION A 10 Q x 2M=20Marks

Q1	Double entry system of accounting means-- (a) Entry in two sets of books (b) Entry at two books (c) Entry for two aspects of the transactions (d) Entry by two persons	**2 marks**	CO1
Q2	What is the accounting equation that represents the foundation of the double-entry system? a) Assets = Liabilities - Equity b) Assets + Liabilities = Equity c) Assets = Liabilities + Equity d) Liabilities = Assets - Equity	**2 marks**	CO1
Q3	What is the primary purpose of a trial balance? (a) To calculate net income (b) To ensure that debits equal credits (c) To prepare financial statements (d) To record adjusting entries	**2 marks**	CO1
Q4	If a company records an expense, which accounts are affected? a) Expense (debit), Cash (credit) b) Expense (credit), Cash (debit) c) Expense (debit), Accounts Payable (credit) d) Expense (credit), Accounts Payable (debit)	**2 marks**	CO1
Q5	Tangible Assets do not include: (a) Goodwill (b) Furniture (b) Stock (c) Cash	**2 marks**	CO1
Q6	What does it mean when the accounting equation is in balance? a) The company is making a profit b) Assets equal liabilities c) Equity is greater than assets d) Liabilities are greater than equity	**2 marks**	CO1
Q7	What is the primary purpose of a balance sheet? a) To show the revenue and expenses of a business b) To report the financial position of a business at a specific point in time c) To summarize the cash flows of a business d) To calculate the return on investment for shareholders	**2 marks**	CO1
Q8	How is the quick ratio calculated? (a) (Current assets - Inventory) / Current liabilities (b) Current assets / Current liabilities (c) (Current assets + Inventory) / Current liabilities (d) Current liabilities / (Current assets - Inventory)	**2 marks**	CO1
Q9	Investing activities on the cash flow statement involve: a) Borrowing money from a bank b) Issuing bonds to investors c) Buying and selling long-term assets d) Receiving cash from customers for goods sold	**2 marks**	CO1

<table>
<tr><td>Q10</td><td>Ideal current ratio is-
(a) 1:1 (b) 2:1
(c) 3:1 (d) None of the above</td><td>2 marks</td><td>CO1</td></tr>
<tr><td colspan="4">SECTION B (20 Marks)
Attempt any four questions</td></tr>
<tr><td>Q1</td><td>Explain relationship between Trail balance and Ledger?</td><td>5 marks</td><td>CO2</td></tr>
<tr><td>Q2</td><td>List the three major activities of cash flow statement.</td><td>5 marks</td><td>CO2</td></tr>
<tr><td>Q3</td><td>Calculate net profit ratio if cash sales Rs. 2,00,000; Gross profit 20% on sales; Non operating expenses Rs. 20,000; credit sales 80% of total sales</td><td>5 marks</td><td>CO3</td></tr>
<tr><td>Q4</td><td>Explain any two accounting concepts with examples.</td><td>5 marks</td><td>CO1</td></tr>
<tr><td>Q5</td><td>Explain who are the end-users of Accounting information?</td><td>5 marks</td><td>CO2</td></tr>
<tr><td colspan="4">SECTION-C (30 Marks)
Attempt any three questions</td></tr>
<tr><td>Q1</td><td>Journalize the following transactions for the month of Dec 2022.
1. Dec 1st Anmol started business with Cash 60,000
2. 3rd He paid into the bank 20,000
3. 5th He purchased goods for a cash 17,000
4. 8th He sold goods for cash 8,000
5. 10th He purchased a furniture and paid by cheque 50,000
6. 12th He sold goods to Arvind 40,000
7. 14th He purchased goods form Samrit 1,00,000
8. 15th He returned goods to Samrit 5,000
9. 16th He received goods from Arvind 94,500 full settlement
10. 18th He withdrew goods for personal use 10,000</td><td>10 marks</td><td>CO3</td></tr>
<tr><td>Q2</td><td>From the following Trial Balance of Sh. Rama Nand Sagar, Prepare the Trading and Profit and Loss Account for the year ended 31st March 2022 and a Balance Sheet as on that date:

<table>
<tr><th>Dr. Balances</th><th>Amount</th><th>Cr. Balances</th><th>Amount</th></tr>
<tr><td>Opening stock on 1st April, 2021</td><td>16,000</td><td>Capital</td><td>80,000</td></tr>
<tr><td>Purchases</td><td>75,000</td><td>Sales</td><td>2,00,000</td></tr>
<tr><td>Sales returns</td><td>5,000</td><td>Purchases returns</td><td>2,000</td></tr>
<tr><td>Carriage inwards</td><td>1,500</td><td>Discount</td><td>500</td></tr>
<tr><td>Plant and Machinery</td><td>40,000</td><td>Sundry creditors</td><td>10,000</td></tr>
<tr><td>Furniture and fixtures</td><td>5,000</td><td>Bills payable</td><td>1,500</td></tr>
<tr><td>Freehold property</td><td>45,650</td><td></td><td></td></tr>
<tr><td>Cash in hand</td><td>5,000</td><td></td><td></td></tr>
<tr><td>Wages</td><td>30,000</td><td></td><td></td></tr>
<tr><td>Salaries</td><td>18,000</td><td></td><td></td></tr>
<tr><td>Lighting (factory)</td><td>800</td><td></td><td></td></tr>
<tr><td>Sundry debtors</td><td>28,000</td><td></td><td></td></tr>
<tr><td>Travelling expenses</td><td>1,200</td><td></td><td></td></tr>
</table></td><td>10 marks</td><td>CO3</td></tr>
</table>

	<table><tr><td>Rent and taxes</td><td>4,800</td><td></td><td></td></tr><tr><td>Drawings</td><td>5,000</td><td></td><td></td></tr><tr><td>Insurance</td><td>450</td><td></td><td></td></tr><tr><td>General expenses</td><td>12,200</td><td></td><td></td></tr><tr><td>Total</td><td>2,94,000</td><td></td><td>2,94,000</td></tr></table>Adjustments: i. Stock on 31st March 2012 was valued at Rs. 38,000 (market value Rs. 20,000). ii. Wages amounting to Rs. 2,000 and salaries amounting to Rs. 1,500 are outstanding. iii. Prepaid insurance amounted to Rs. 150. iv. Provide depreciation on plant and machinery at 5% and on furniture and fixtures at 10%. Or How a company can create a trail balance using ledger balances. Provide a relevant example to support your position.		
Q3	The following details are being taken from the records of Madhav Corporation as on 31.03.2022- Cash Rs. 25,000 Debtors (Net) Rs. 12,000 Inventory Rs. 8,000 Prepaid Expenses Rs. 2,000 Creditors Rs. 12,000 Bills Payable Rs. 3,000 Sales Rs. 53,000 Purchases Rs. 34,000 Purchases Returns Rs. 750 On the basis of above information, compute the following- (a) Current Ratio; (b) Acid-Test Ratio; (c) Inventory Turnover Ratio; (d) Receivable Turnover Ratio; (e) Average payment period. Or What do you understand by 'ratio analysis'? What are the objectives and limitations of ratio analysis.	**10 marks**	**CO3**
	SECTION-D **(30 Marks)**		
	Attempt both the questions		
Q1	Kapil Ltd. purchased a machinery on July 01, 2011 for ₹ 3,50,000. It purchased two additional machines, on April 01, 2012 costing ₹ 1,50,000 and on October 01, 2012 costing ₹ 1,00,000. Depreciation is provided @10% pa. on straight line basis. On January 01, 2013, first machinery become useless due to technical changes. This machinery was sold for ₹ 1,00,000. Prepare machinery account for 4 years on the basis of calendar year.	**15 marks**	**CO4**

Q2	From the following information, prepare cash flow statement:	15 marks	CO4

Particulars	**Note No.**	**31st March 2015 ₹**	**31st March 2016 ₹**
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		7,00,000	5,00,000
b) Reserve and surplus		4,70,000	2,50,000
2. Non-current Liabilities			
(8% Debentures)		4,00,000	6,00,000
3. Current Liabilities			
Trade payables		9,00,000	6,00,000
Total		**24,70,000**	**19,50,000**
II. Assets			
1. Non-current assets			
Fixed assets			
i) Tangible		7,00,000	5,00,000
ii) Intangible–Goodwill		1,70,000	2,50,000
2. Current assets			
a) Inventories		6,00,000	5,00,000
b) Trade Receivables		6,00,000	4,00,000
c) Cash and cash equivalents		4,00,000	3,00,000
Total		**24,70,000**	**19,50,000**

Additional Information:
Depreciation Charged on Plant amounted to ₹ 80,000.

Or

2. For financial analysis, how significant is the cash flow statement? Explain with an example.