

Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

Online End Term Examination, January 2021

Course: Accounting for Managers
Program: MBA (LSCM)
Code: FINC 7010

Semester: I
Time 03 hrs.
Max. Marks: 100

SECTION A

- 1. Each Question will carry 5 Marks**
- 2. Instruction: Select the correct answer(s)**

S. No.	Question	CO
Q 1	If selling price is fixed 25% above the cost, the Gross Profit ratio is a) 13% b) 28% c) 26% d) 20%	CO1
Q2	General reserve is created on the basis of convention of- a) Conservatism b) Uniformity c) Materiality d) Full disclosure	CO1
Q3	Cost Assessment provides the valuation of stock on the basis of a) Cost or market price whichever is less b) Cost price c) Cost or market price whichever is higher d) Both (a) &(b) above	CO1
Q4	The profit of R Ltd. before charging manager's commission is Rs.66,000. If the manager is entitled to a commission of 10% on profit after charging such commission, the commission payable to the manager is a. Rs.6,000 b. Rs. 5,000 c. Rs. 5,500 d. Rs. 9,090	CO1

Q5	<p>M/S Mohan Dass and Co. were running the business of Electronic Goods. On 30th June 2007, goods worth of Rs. 10,000 were burnt by fire and claim of 70% has been accepted by the Insurance Company. M/S. Mohan Dass and Co. would show how much amount in the debit side of Profit and Loss Account as loss</p> <ul style="list-style-type: none">a. Rs. 7,000b. Rs. 3,000c. Rs.10,000d. Rs.6,000	CO1
Q6	<p>Salvage value means</p> <ul style="list-style-type: none">a) Definite sale price of the assetb) Cash to be received when life of the asset endsc) Cash to be paid when asset is disposed offd) Estimated disposal value	CO1

Section: B																																																																										
	Each Question Carries 10 marks																																																																									
Q7	Explain the concepts of conservatism, separate entity concept, cost concept and perpetuity concept with suitable accounting examples.	CO2																																																																								
Q 8	Discuss how cash from operations is calculated by applying both direct and indirect method?	CO2																																																																								
Q 9	A machine is purchased at a price of Rs 8,30, 000/- with a useful life of 5 years. The estimated scrap value os Rs 75,000/-. Calculate depreciation and prepare a schedule of depreciation as per following methods: A. Written Down Value Method B. Sum of Years Method C. Double Declining Method.	CO3																																																																								
Q 10	On April 01, 2016 Anees started business with Rs. 100,000 and other transactions for the month are: 2. Purchase Furniture for Cash Rs. 7,000. 8. Purchase Goods for Cash Rs. 2,000 and for Credit Rs. 1,000 from Khalid Retail Store. 14. Sold Goods to Khan Brothers Rs. 12,000 and Cash Sales Rs. 5,000. 18. Owner withdrew of worth Rs. 2,000 for personal use. 22. Paid Khalid Retail Store Rs. 500. 26. Received Rs. 10,000 from Khan Brothers. 30. Paid Salaries Expense Rs. 2,000 Pass necessary Journal entries, Prepare Ledgers and prepare a trial balance.	CO3																																																																								
Q 11	The following is the trial balance of Air Logistics Ltd, Trading, profit and loss account and Balance sheet as on 31 st March, 2015	CO3																																																																								
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Adjustments:

- a) Salary Rs 900 and rent Rs100 are outstanding
- b) Tax Rs 50 is prepaid
- c) There is a bad debt of Rs 600 and provided Rs 1,200 for bad and doubtful reserves
- d) Rs 200 commission is due to be received
- e) Interest @6% is to be provided on capital and drawings
- f) The salesperson's commission is proposed to be paid at a rate of 8% on profit after charging such commission.
- g) Depreciate plant by 5% and furniture by 10%
- h) Value of closing stock is Rs. 20,000

Section C**1. Question carries 20 Marks.**

Q12 Following is the income statement and Balance sheet of Big Cargo Ltd for the year 2018:

CO4

Particulars	December 31, 2017	December 31, 2018
Net Sales	1,70,000	1,90,400
Less: Cost of Goods Sold	1,05,000	1,20,000
Gross Profit (P)	65,000	70,400
Administrative Expenses (A)	13,200	14,960
Selling Expenses:		
Advertisement Expenses	3,000	4,000
Other Selling Expenses	40,800	41,800
Total Selling Expenses (B)	43,800	45,800
Operating Expenses (A+B)	57,000	60,760
Operating Profit (D) (D = P - (A+B))	8,000	9,640
Other Incomes (E)	6,400	9,200
Other Expenses (F)	6,800	4,800
Profit Before Tax (PBT) (PBT = D+E-F)	7,600	14,040
Income Tax (T)	3,800	6,200
Profit After Tax (PAT) (PAT = PBT - T)	3,800	7,840

Particulars	December 31, 2017	December 31, 2018
Current Assets:		
Cash and Bank Balance	23,600	2,000
Debtors	41,800	38,000
Inventory	32,000	26,000
Other Current Assets	6,400	2,600
(A)	1,03,800	68,000
Fixed Assets:		
Land and Building	54,000	34,000
Plant and Machinery	62,000	1,57,200
Furniture	5,800	9,600
(B)	1,21,800	2,00,800
Long Term Investment	9,200	11,800
(C)		
Total Assets (A+B+C)	2,34,800	2,81,200
Current Liabilities	(D)	52,400
Long-Term Debt	(E)	40,000
		65,000
Owner's Equity:		
Equity Share Capital	80,000	1,20,000
Reserve and Surplus	62,400	70,800
(F)	1,42,400	1,90,800
Total Liabilities and Capital (D+E+F)	2,34,800	2,81,200

Comment of the Liquidity, Solvency, Operations and Profitability of the organization over 2017 to 2018.