

Name:  
Enrolment No:

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**  
**End Semester Examination (Online) – January, 2021**

**Program: BBA ( OGM )**  
**Subject/Course: Business Accounting**  
**Course Code: FINC 1001**

**Semester: I**  
**Max. Marks: 100**  
**Duration: 3 Hours**

**IMPORTANT INSTRUCTIONS**

The Question Paper shall have **three sections (A, B, C)**

Q.No	Section A (MCQ) 6 Question of 5 Marks each	Marks	
Q.1	Following is not one of the main rules of accounting? a) Debit the receiver credit the giver b) Debit what comes in credit what goes out c) Debit all expenses and losses and credit all gain and incomes d) Debit all Profit and loss and credit all income and expenditures.	5	
Q.2	Which of the Following statement is not True? a) All expenses & losses are debited to P/L a/c b) All gains and incomes are credited to P/L a/c c) All items appearing in the Trial Balance are shown in the Balance Sheet d) Ledger accounts are prepared after preparing Journal books.	5	
Q.3	Depletion method is suitable for charging depreciation in case of: a) Live stock b) Plant & Machinery c) Coal Mines d) Land & Building	5	
Q.4	If the profit is 25% of the cost price then it is: a. 20% of the selling price b. 25% of the selling price c. 33% of the selling price d. 30% of the selling price	5	
Q.5	To test the liquidity of a concern which of the following ratio is useful? a. Acid test ratio b. Debt equity ratio c. current ratio d. Debtors turnover ratio	5	
Q.6	Following is the procedure for preparing the Financial Statement of the company? a. Ledger – trial balance –journal-- balance sheet	5	

- b. Journal – balance sheet – ledger – trial balance
- c. balance sheet – trial balance – ledger – journal
- d. journal – ledger – trial balance – balance sheet

**Section B (scan & upload) 5 Question of 10 Marks each**

From the following balance sheet of a company, calculate

- 1 debt equity ratio,
- 2 total assets to debt ratio
- 3. Proprietary ratio
- 4. Acid Test Ratio
- 5. Current Ratio

Balance Sheet of X ltd as on 31.3.2019

Preference Share Capital	7,00,000	Plant and Machinery	9,00,000
Equity Share Capital	8,00,000	Land and Building	4,20,000
Reserves	1,50,000	Motor Car	4,00,000
Debentures	3,50,000	Furniture	2,00,000
Current Liability	2,00,000	Stock	90,000
		Debtors	80,000
		Cash and Bank	1,00,000
		Discount on Issue of Shares	10,000
	22,00,000		22,00,000

Q.7

10

From the following particulars, prepare Balance sheet as on 31-03-19

- 1. Current ratio 2
- 2. working capital Rs.400000
- 3. capital block to current assets 3:2
- 4. fixed assets to turnover 1:3
- 5. sales cash/ credit 1:2
- 6. debenture/ share capital 1:2
- 7. stock velocity 2 months
- 8. creditors velocity 2 months
- 9. debtors velocity 2 months
- 10. gross profit ratio 25% on sales
- 11. CAPITAL BLOCK:  
Net profit 10% of turnover

Q.8

10

	Reserves 2.5% of turnover Note:-Working notes should form part of your Answer																																																										
Q.9	Discuss the importance of Break-even Analysis for company, what all important things can be computed. Explain with taking hypothetical figures.	10																																																									
Q.10	Prepare a format of cash flow statement as per indirect method.	10																																																									
Q.11	State the reason why Analysis of financial statements is important? Normaly what does annual report of the company contains.	10																																																									
	<b>Section C (scan &amp; upload)1 Question of 20 Marks each (Attempt any one)</b>																																																										
Q.12	<p>From the Trial balance given below Prepare trading and profit / loss account and Balance Sheet for the year ending 31<sup>st</sup> March 2019.</p> <p>Dr. <span style="float: right;">Cr.</span></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Particulars</th> <th style="width: 17%;">Amount</th> <th style="width: 33%;">Particulars</th> <th style="width: 17%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Purchases</td> <td>2,00,000</td> <td>Sales</td> <td>3,00,000</td> </tr> <tr> <td>Sales Return</td> <td>35000</td> <td>Purchase return</td> <td>25,000</td> </tr> <tr> <td>Office expenses</td> <td>25000</td> <td>Discount received</td> <td>90,000</td> </tr> <tr> <td>Debtors</td> <td>15000</td> <td>Creditors</td> <td>55,000</td> </tr> <tr> <td>Land &amp; Building</td> <td>1,00,000</td> <td>Capital</td> <td>4,50,000</td> </tr> <tr> <td>Furniture &amp; Fittings</td> <td>4,15,500</td> <td>Interest received</td> <td>15,000</td> </tr> <tr> <td>Fuel &amp; Power</td> <td>9,500</td> <td></td> <td></td> </tr> <tr> <td>Cash in hand</td> <td>12,500,</td> <td></td> <td></td> </tr> <tr> <td>Cash at bank</td> <td>12,500</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td>50,000</td> <td></td> <td></td> </tr> <tr> <td>Salary &amp; Wages</td> <td>15,000</td> <td></td> <td></td> </tr> <tr> <td>Opening stock</td> <td>45,000</td> <td></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>9,35,000</b></td> <td><b>Total</b></td> <td><b>9,35,000</b></td> </tr> </tbody> </table> <p>Following are adjustment:</p> <ol style="list-style-type: none"> <li>1. Closing stock is valued at 65000 which has its market value of Rs.75000</li> <li>2. Furniture &amp; Fittings is to be depreciated @20% P.A.</li> <li>3. Write off Rs. 1500 as Bad debts .</li> <li>4. Outstanding office expenses for the year amounted to Rs.2500</li> <li>5. Interest received in advance amounted to Rs.5000</li> </ol> <p style="text-align: center;"><b>OR</b></p>	Particulars	Amount	Particulars	Amount	Purchases	2,00,000	Sales	3,00,000	Sales Return	35000	Purchase return	25,000	Office expenses	25000	Discount received	90,000	Debtors	15000	Creditors	55,000	Land & Building	1,00,000	Capital	4,50,000	Furniture & Fittings	4,15,500	Interest received	15,000	Fuel & Power	9,500			Cash in hand	12,500,			Cash at bank	12,500			Drawings	50,000			Salary & Wages	15,000			Opening stock	45,000			<b>Total</b>	<b>9,35,000</b>	<b>Total</b>	<b>9,35,000</b>	20	
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Q.12	A company having a net working capital of Rs.280000 as on 30.6.2019. Indicated the following financial ratio's and performance figures:	20																																																									

Current Ratio	2.4:1
Liquidity Ratio	1.6:1
Inventory turnover (on cost of sales)	8
Gross profit on sales	20%
Credit allowed (months)	1.5

The company's fixed assets are equivalent to 90% of its Net Worth while reserves amounted to 40% of share capital.

Prepare the Balance Sheet of the company as on 30.6.2019 showing step by step calculation.