


<b>Name:</b> <b>Enrolment No:</b>	
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**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Online End Semester Examination, January 2021**

**Course:** Business Accounting  
**Program:** BBA EPRCC  
**Course Code:** FINC 1001

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

**SECTION A**

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

S. No.	Question	CO
Q 1	Which one of the following accounting concepts treats owner of the business as a creditor of the business — (a) Going concern concept (b) Historical cost concept (c) Business entity concept (d) Realization concept	CO3
Q2	General reserve is created on the basis of convention of — (a) Conservatism (b) Uniformity (c) Materiality (d) Full disclosure.	CO4
Q3	The process of entering transactions in the ledger is called — (a) Journalizing (b) Posting (c) Summarizing (d) Balancing.	CO3
Q4	A Schedule of balances drawn from ledger is called (a) A trial balance (b) A statement of affairs (c) A balance sheet (d) A statement of account	CO3
Q5	Balance sheet discloses- (a) Cash position of the business (b) Financial position of the business (c) Income position of the business (d) Profit-earning capacity of the business	CO2
Q6	Plant and machinery account is a — (a) Personal account (b) Tangible real account (c) Intangible real account (d) Nominal account.	CO2

**SECTION B**

- 1. Each question will carry 10 marks**
- 2. Instruction: Write short / brief notes**

	Attempt all questions	
Q 7	“With the rapidly changing business environment the role of accounting has undergone a tremendous change”. Discuss this statement and also highlight the limitations of accounting	CO1

Q 8	<p>Journalize the following transactions, post them to the ledger and balance it.</p> <p>May3, 2018 Commenced business with cash Rs. 2,00,000 and Furniture Rs.30,000</p> <p>May4, 2018 Purchased goods for cash Rs. 20,000</p> <p>May10, 2018 Purchased Machinery Rs. 50,000</p> <p>May15, 2018 Purchased goods on credit from Ajit Rs. 15,000</p> <p>May18, 2018 Sold goods on credit to Manish Rs. 40,000</p> <p>May 25, 2018 Received cash from Manish in full settlement Rs. 39,500</p> <p>May 26, 2018 Goods drawn by owner for private use Rs. 1000</p> <p>May 30, 2018 Paid salary Rs. 5,000</p>	CO3																											
Q 9	<p>‘Trial Balance is not a conclusive proof of the accuracy of the books of accounts.’ Explain this statement highlighting the limitations and objectives of preparing Trial Balance.</p>	CO2																											
Q 10	<p>A Manufacturing concern, whose books close on 31st December, Purchased machinery for Rs. 25,000 on 1st January 2016. Additional machinery was acquired for Rs. 10,000 on 1st July 2017 and for Rs. 20,000 on 1st January 2018. Certain machinery purchased for Rs. 12,000 on 1st January 2016 was sold for Rs. 8,000 on 30th June 2018. Show the machinery Account for three years writing off Depreciation at 12% p.a. on written down value.</p> <p>Or</p> <p>Explain the concept of Balance sheet. Differentiate between Balance sheet and Statement of Profit &amp; Loss.</p>	CO2																											
Q 11	<p>Distinguish between straight line method and diminishing balance method of providing depreciation. Which one of the two methods would you recommend to provide depreciation on plant and machinery?</p>	CO3																											
<p><b>Section C</b></p> <p><b>1. Each Question carries 20 Marks.</b></p> <p><b>2. Instruction: Write long answer.</b></p> <p><b>3. Attempt any one</b></p>																													
Q13	<p>“Accounting ratios are mere guides and complete reliance on them in decision making is suicidal”. Explain this statement discussing the significance of ratio analysis as an important tool for analysing financial statement of a Company.</p> <p>Or</p> <p>The following trial balance has been extracted from the books of M/s R P Traders. Prepare Statement of Profit &amp; Loss account for the year ended 31<sup>st</sup> March 2019 and Balance sheet as on that date.</p> <p><b>Adjustments:</b></p> <ol style="list-style-type: none"> <li>1. Depreciate Building @ 5 % and Machinery @ 10%</li> <li>2. Trade expenses Rs. 250 and wages Rs. 350 have not been paid</li> <li>3. Make provision for doubtful debts @ 5%</li> <li>4. Machinery includes Rs. 5,000 of a machine installed on 31<sup>st</sup> December 2018. Wages include Rs. 1,000</li> <li>5. Stock as on 31<sup>st</sup> March 2019 Rs. 5,000</li> </ol> <table border="1" data-bbox="407 1675 1219 2041" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 25%;">Amount Rs.</th> <th style="width: 25%;">Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>Drawings</td> <td style="text-align: right;">3,500</td> <td></td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">6,000</td> <td></td> </tr> <tr> <td>Debtors and Creditors</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td>Purchases and Sales</td> <td style="text-align: right;">30,000</td> <td style="text-align: right;">46,500</td> </tr> <tr> <td>Sales Return and Purchase return</td> <td style="text-align: right;">350</td> <td style="text-align: right;">290</td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: right;">710</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">300</td> <td></td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">3,000</td> <td></td> </tr> </tbody> </table>	Particulars	Amount Rs.	Amount Rs.	Drawings	3,500		Buildings	6,000		Debtors and Creditors	5,000	8,000	Purchases and Sales	30,000	46,500	Sales Return and Purchase return	350	290	Discount allowed	710		Insurance	300		Cash	3,000		CO3
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	Opening Stock	1,200		
	Bad debts	500		
	Provision for doubtful debts		1,500	
	Carriage	630		
	Wages	2,770		
	Machinery	20,000		
	Furniture	6,000		
	Salaries	3,300		
	Bank charges	200		
	Bills Receivable and Bills payable	6,000	4,000	
	Trade expenses	830		
	Capital		30,000	
		90,290	90,290	