


Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Business Accounting	Semester: I
Programme: BBA DM	Time: 03 hrs.
Max. Marks: 100	CC:FINC 1001
Instructions:	

SECTION A

S. No.		Marks	CO
	Multiple choice questions. All questions are compulsory	2X10= 20	
1)	Annual depreciation of machine is 40000, cost of machine is 500000, rate of depreciation according to straight- line method will be- a) 9% b) 18% c) 16% d) 8%	2	CO1
2)	Value of an asset is 9 lakh, scrap value is 1,25,000, estimated life is 10 years the cost depreciation under straight-line method will be- a) 65000 b) 89000 c) 77500 d) 67880	2	CO2
3)	The Diminishing balance method means a method by which a) The rate of depreciation falls year by year b) The amount on which depreciation is calculated falls year by year	2	CO3

	<p>c) The rate and amount which is applied falls year by year</p> <p>d) None of the above</p>		
4)	<p>The cost of the asset is 60,000 and depreciated at 12% p.a. using the written down method, at the end of three years, it will have a net book value of-</p> <p>a) 40888.32</p> <p>b) 43888.90</p> <p>c) 45322</p> <p>d) 40000</p>	2	CO4
5)	<p>Recording of a financial transaction can be done in which of the following books:</p> <p>a) Journal</p> <p>b) Cash book</p> <p>c) Purchase book</p> <p>d) Sale book</p>	2	CO1
6)	<p>The process of grouping of transactions or entries of one nature is called-----</p> <p>a) Accounting</p> <p>b) Classifying</p> <p>c) Summarizing</p> <p>d) Recording</p> <p>e) All of the above</p>	2	CO4
7)	<p>Quick assets are current assets less _____ and _____ expenses.</p>	2	CO1
8)	<p>Return on investment measures a relationship between</p> <p>a) Net Profit before interest and tax and capital employed</p> <p>b) Net profit after interest and tax and capital employed</p>	2	CO2

	c) Net Profit before interest and tax and total assets.		
9)	Identify the transaction not belonging to investing activities a) Dividend received on shares by a finance company b) Dividend received on shares by a non-finance company c) Purchase of goodwill d) Sale of patents	2	CO2
10)	Identify the transaction belonging to financing activities a) Repayment of a long term loan b) Redemption of Debentures and preference shares c) Interest paid on Debentures or long term loans by a finance company d) Interest paid on Debentures or long term loans by a non-finance company	2	CO1
SECTION B			
	Section B Answer the following (4*5=20 marks)		
Q1	Calculate the amount of depreciation per year and rate of depreciation (WDV) using following information- Purchase price of machine = Rs 4,75,000 Installation charges of machine = Rs 25,000 Expected useful life of machine = 5 years Estimated scrap value of machine = Rs 50,000	5	CO3
Q2	Calculate the amount of depreciation for each accounting year(SLM) using following information- Purchase price of machine = Rs 475000 Installation charges of machine = Rs 25000	5	CO3

	Expected useful life of machine = 5 years Estimated scrap value of machine = Rs 50000 Rate of depreciation = 18%		
Q3	Explain accounting principles and conventions	5	CO1
Q4	Describe the accounting cycle.	5	CO1
SECTION-C			
	Answer the following (30 marks)	Marks	
Q1	Explain the difference between depreciation, depletion and amortization	5	CO1
Q2	State the difference between SLM and WDV	5	CO2
Q3	Explain cash flow from investing activities, financing activities and operating activities. Provide examples	10	CO4
Q4	Explain profitability ratios, liquidity ratio and assets utilization ratio	10	CO4
SECTION-D			
	Attempt any one	Marks	
Q1	Mr. Ramu has the following transactions in the month of July. Record them into the journal and show postings in the ledger and balance the accounts. July 1 st : Ramu started business with a capital of 75,000 1 st : Purchased goods from Manu on credit 25,000 2 nd : Sold goods to Sonu 20,000 3 rd : Purchased goods from Meenu 15,000 4 th : Sold goods to Tanu for cash 16,000 5 th : Goods returned to Manu 2,000 6 th : Bought furniture for 15,000	30	CO4

	<p>7th : Bought goods from Zenu 12,000</p> <p>8th : Cash paid to Manu 10,000</p> <p>9th : Sold goods to Jane 13,500</p> <p>10th : Goods returned from Sonu 3,000</p> <p>11th : Cash received from Jane 5,500</p> <p>12th : Goods taken by Ramu for domestic use 3,000</p> <p>13th : Returned Goods to Zenu 1,000</p> <p>14th : Cash received from Sonu 12,000</p> <p>15th : Bought machinery for 18,000</p> <p>16th : Sold part of the furniture for 1,000</p> <p>17th : Cash paid for the purchase of bicycle for Ramu's son 1,500</p> <p>19th : Cash sales 15,000</p> <p>20th : Cash purchases 13,500</p>		
Q2	<p>Journalise the following transactions in the books of Moon and post them into the ledger for the month of August</p> <p>Aug 10th : Moon commenced business with a capital of 1,50,000</p> <p>11th : Cash deposited into bank 50,000</p> <p>12th : Bought equipment for 15,000</p> <p>13th : Bought goods worth 20,000 from Star and payment made by cheque</p> <p>14th : Sold goods to Sun for 15,000 and payment received through cheque</p> <p>16th : Paid rent by cheque 5,000</p> <p>17th : Took loan from Mr. Storm 25,000</p> <p>18th : Received commission from Mr. Air by cheque 5,000</p> <p>19th : Wages paid 15,000</p> <p>20th : Withdrew from bank for personal use 3,000</p> <p>21st : Withdrew from bank for office use 10,000</p>	30	CO4

	22 nd : Bought goods for 25,000		
	23 rd : Cash paid into bank 30,000		
	24 th : Interest paid through cheque 2,000		
	25 th : Gave loan to Mr.Wind 10,000		
	26 th : Amount paid to Mr. Storm on loan account 15,000		
	27 th : Salary paid to Manager Mr. Liquid 5,000		
	28 th : Postage paid 1,000		
	29 th : Received cheque from Mr. Wind on loan account 3,000		
	30 th : Sold part of the equipment for 2,000		

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SECTION A

S. No.		Marks	CO
	Multiple choice questions. All questions are compulsory	2X10= 20	
1)	When the concept of ratio is defined in respected to the items shown in the financial statements, it is termed as a) Accounting ratio b) Financial ratio	2	CO1
2)	Which of the following statements are true about Ratio Analysis? A) Ratio analysis is useful in financial analysis. B) Ratio analysis is helpful in communication and coordination C) Ratio Analysis is not helpful in identifying weak spots of the business. D) Ratio Analysis is helpful in financial planning and forecasting. a) A, B and D b) A, C and D c) A, B and C d) A, B , C, D	2	CO2
3)	The Diminishing balance method means a method by which a) The rate of depreciation falls year by year	2	CO3

	<ul style="list-style-type: none"> b) The amount on which depreciation is calculated falls year by year c) The rate and amount which is applied falls year by year d) None of the above 		
4)	<p>The cost of the asset is 60,000 and depreciated at 12% p.a. using the written down method, at the end of three years, it will have a net book value of-</p> <ul style="list-style-type: none"> a) 40888.32 b) 43888.90 c) 45322 d) 40000 	2	CO4
5)	<p>Recording of a financial transaction can be done in which of the following books:</p> <ul style="list-style-type: none"> a) Journal b) Cash book c) Purchase book d) Sale book 	2	CO1
6)	<p>The process of grouping of transactions or entries of one nature is called-----</p> <ul style="list-style-type: none"> a) Accounting b) Classifying c) Summarizing d) Recording e) All of the above 	2	CO4
7)	Quick assets are current assets less _____ and _____ expenses.	2	CO1
8)	<p>Net Profit ratio is calculated by</p> <ul style="list-style-type: none"> a) $(\text{Gross Profit}/\text{Gross sales}) \times 100$ b) $(\text{Gross Profit}/\text{Net sales}) \times 100$ 	2	CO2

	<p>c) (Net Profit/Net sales)*100</p> <p>d) None of the above</p>		
9)	<p>Identify the transaction not belonging to investing activities</p> <p>a) Dividend received on shares by a finance company</p> <p>b) Dividend received on shares by a non-finance company</p> <p>c) Purchase of goodwill</p> <p>d) Sale of patents</p>	2	CO2
10)	<p>Identify the transaction belonging to financing activities</p> <p>a) Repayment of a long term loan</p> <p>b) Redemption of Debentures and preference shares</p> <p>c) Interest paid on Debentures or long term loans by a finance company</p> <p>d) Interest paid on Debentures or long term loans by a non-finance company</p>	2	CO1
SECTION B			
	Section B Answer the following (4*5=20 marks)		
Q1	<p>Calculate the amount of depreciation per year and rate of depreciation (WDV) using following information-</p> <p>Purchase price of machine = Rs 4,75,000</p> <p>Installation charges of machine = Rs 25,000</p> <p>Expected useful life of machine = 5 years</p> <p>Estimated scrap value of machine = Rs 50,000</p>	5	CO3
Q2	Calculate the amount of depreciation for each accounting year(SLM) using following information-	5	CO3

	Purchase price of machine = Rs 475000 Installation charges of machine = Rs 25000 Expected useful life of machine = 5 years Estimated scrap value of machine = Rs 50000 Rate of depreciation = 18%		
Q3	Explain accounting principles and conventions	5	CO1
Q4	Describe the accounting cycle.	5	CO1
SECTION-C			
	Answer the following (30 marks)	Marks	
Q1	Explain the difference between depreciation, depletion and amortization	5	CO1
Q2	What is balance sheet? Explain its purpose	5	CO2
Q3	Explain cash flow from investing activities, financing activities and operating activities. Provide examples	10	CO4
Q4	Explain profitability ratios, liquidity ratio and assets utilization ratio	10	CO4
SECTION-D			
	Attempt any one	Marks	
Q1	Explain Accounting Period, Cost Concept, Duality aspect concept and Realization Concept.	30	CO4
Q2	Journalise the following transactions in the books of Moon and post them into the ledger for the month of August Aug 10 th : Moon commenced business with a capital of 1,50,000 11 th : Cash deposited into bank 50,000 12 th : Bought equipment for 15,000 13 th : Bought goods worth 20,000 from Star and payment made by chequ	30	CO4

	<p>14th : Sold goods to Sun for 15,000 and payment received through cheque</p> <p>16th : Paid rent by cheque 5,000</p> <p>17th : Took loan from Mr. Storm 25,000</p> <p>18th : Received commission from Mr. Air by cheque 5,000</p> <p>19th : Wages paid 15,000</p> <p>20th : Withdrew from bank for personal use 3,000</p> <p>21st : Withdrew from bank for office use 10,000</p> <p>22nd : Bought goods for 25,000</p> <p>23rd : Cash paid into bank 30,000</p> <p>24th : Interest paid through cheque 2,000</p> <p>25th : Gave loan to Mr.Wind 10,000</p> <p>26th : Amount paid to Mr. Storm on loan account 15,000</p> <p>27th : Salary paid to Manager Mr. Liquid 5,000</p> <p>28th : Postage paid 1,000</p> <p>29th : Received cheque from Mr. Wind on loan account 3,000</p> <p>30th : Sold part of the equipment for 2,000</p>	
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