

Name:

Enrolment No :



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course : Business Accounting

Semester : V

Programme : BBA, LL.B. (Hons.) Corporate Laws, BBA, LL.B. (Hons.) Banking, Finance & Insurance Law, ITIL

Time: 03 hrs.

CC:BBCF 131

Max. Marks: 100

SECTION A

S. No.		Marks	CO
1.	Which one of the following represents correct sequence of accounting cycle? a. Journal > Trial balance > Ledger > Transaction analysis b. Transaction analysis > Journal > Ledger > Trial balance c. Balance Sheet > Journal > Ledger > Trial balance d. None of the above	2	CO4
2.	Cash and Cash Equivalents, inventories and accounts receivables are classified as a. Assets in balance sheet b. Liabilities in balance sheet c. Earnings in income statement d. Payments in income statement	2	CO1
3.	Ideal Current ratio is- a. 2 : 1 b. 1 : 1 c. 3: 1 d. None of these.	2	CO2
4 expenses are shown in Assets side of Balance Sheet- a. Prepaid expenses b. Electricity expenses c. Outstanding expenses d. None of these	2	CO1
5.	Which of the following is not a type of Profitability Ratio - a. Gross Profit Ratio b. Stock Turnover Ratio c. Net Profit Ratio	2	CO5

	d. Operating Profit Ratio		
SECTION B			
6.	What is Ratio Analysis? Write any two types of ratio along with formula each of – a. Solvency Ratio, b. Turnover Ratio, c. Financial (Liquidity) Ratio, and d. Profitability Ratio.	10	CO1
7.	What is Cash Flow Statement? Write short note on Operating, Investing and Financing Activity.	10	CO4
SECTION-C			
8.	Write short note on Trading A/c, Profit & Loss A/c and Balance Sheet. Also prepare a Draft format of Trading and Profit & Loss Account and of Balance Sheet.	10	CO1
9.	What do you mean by Depreciation? What are the causes of Depreciation? Explain Straight Line Method and Diminishing Balance Method. OR The following information is given about Raj Pvt. Ltd. a. Revenue from operations, i.e. Net Sales = Rs.1,50,000 b. Gross Profit = Rs. 30,000 c. Cost of Revenue from Operations i.e. Cost of Goods Sold = Rs. 1,20,000 d. Opening Inventory = Rs. 29,000 e. Closing Inventory = Rs. 31,000 f. Debtors = Rs. 20,000 g. Fixed Assets = Rs. 60,000 Calculate:- i. Gross Profit Ratio ii Stock (Inventory) Turnover Ratio iii Debtors Turnover Ratio iv Average (Debt) collection period v Fixed Assets Turnover Ratio	10	CO4 CO5
SECTION-D			

10.	From the following Trial Balance of M/s. Pawan Brothers on 31 st March, 2018 you are required to prepare Trading and Profit and Loss Account for the year ending on 31 st March, 2018 and a balance sheet as on that date :						
Debit Balances		Amount	Credit Balances		Amount		
Furniture & Fixtures		2,00,000	Capital		3,96,300		
Debtors		80,000	Creditors		36,800		
Professional fees		1,200	Bills payable		35,000		
Cash in hand		8,000	Discount received		1,400		
Stock (1.4.2017)		2,07,200	Sales		2,08,000		
Plant & Machinery		70,000	Interest received		1,000		
Bank Balance		14,000	Rent received		10,600		
Purchases		26,400					
Sales Return		10,000					
Accounting charges		5,000					
Salaries		18,000					
Rent and insurance		9,500					
Electricity expenses		14,800					
Bad debts		1,000					
Bills receivable		24,000					
		6,89,100			6,89,100	25	CO5
Adjustments:							
(a) Stock on 31-03-2018 Rs. 1,65,000.							

- (b) Depreciation on Furniture & Fixtures @ 10% and on Plant & Machinery @ 20% per annum
- (c) Salaries outstanding Rs.2,000
- (d) Prepaid insurance Rs. 1,500.

11. From the Balance Sheet of Ajay Fireworks Ltd. as on 31.03.2017 and 31.03.2018, prepare Cash Flow Statement

**Balance Sheet of Ajay Fireworks Ltd. as on
31.03.2018 and 31.03.2017**


Particulars	31.03.2018 Rs.	31.03.2017 Rs.
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
a. Share Capital	10,00,000	7,00,000
b. Reserves and Surplus : Surplus, i.e. Balance in Statement of Profit and Loss	2,50,000	1,50,000
2. Current Liabilities		
Trade Payables	50,000	40,000
Total	13,00,000	8,90,000
II. ASSETS		
1. Non Current Assets		
Fixed Assets (Tangible): Plant and Machinery	8,00,000	5,00,000
2. Current Assets		
a. Inventories (Stock)	1,00,000	75,000
b. Cash and Cash Equivalent	4,00,000	3,15,000
Total	13,00,000	8,90,000

25

CO5

Additional Information :

During the current year depreciation charged on Plant and Machinery was Rs.50,000.

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Time: 03 hrs.	

SECTION A

S. No.		Marks	CO
1.	When Goods are sold on credit to Geeta, account is credited- a. Cash b. Geeta c. Sales d. Purchases.	2	CO4
2.	What is the correct formula for calculating depreciation under Straight Line Method- a. Original Cost – Scrap Value b. $\frac{\text{Original Cost} + \text{Scrap Value}}{\text{Life of Asset}}$ c. $\frac{\text{Original Cost} - \text{Scrap Value}}{\text{Life of Asset}}$ d. None of the above	2	CO1
3.	What is the correct Accounting Equation - a. Assets = Liabilities + Capital b. Assets = Liabilities - Capital c. Capital = Assets + Liabilities d. None of the above	2	CO2
4.	Which of the following is not an Accounting Concept :- a. Separate Entity Concept b. Cost Concept c. Materiality d. Going Concern Concept	2	CO1
5.	Cash Flow Statement is based on - a. Accrual Basis of accounting. b. Cash Basis of accounting c. Accounting Equation d. None of the above.	2	CO5

SECTION B			
6.	Write short note on end users of accounting information.	10	CO1
7.	What are the differences between Double Entry System and Single Entry System?	10	CO4
SECTION-C			
8.	Write Short note on following :- a. Contingent Asset b. Contingent Liability c. Working Capital d. Cost of Goods Sold e. Liabilities	10	CO1
9.	Write formulae and significance of the following Turnover Ratios :- a. Fixed Assets Turnover Ratio b. Debtors Turnover Ratio c. Debt Collection Period d. Creditors Turnover Ratio e. Stock Turnover Ratio <p style="text-align: center;">OR</p> The following information is given about XYZ Ltd. a. Current Assets = Rs. 1,50,000 b. Current Liabilities = Rs. 1,00,000 c. Fixed Assets = Rs. 3,00,000 d. Long Term Funds = Rs. 1,50,000 e. Prepaid Expenses = Rs. 20,000 f. Net Profit = Rs. 25,000 g. Revenue From Operations i.e. Net Sales = Rs. 2,00,000 Calculate:- i. Current ratio ii. Quick ratio iii. Net Profit ratio iv. Fixed Assets Ratio v. Working capital Turnover ratio	10	CO4 CO5

SECTION-D

10. The following Trial Balance was extracted from the books of M/s. Malhotra Traders on 31st March, 2018 you are required to prepare Trading and Profit and Loss Account for the year ending on 31st March, 2018 and a balance sheet as on that date :

Debit Balances	Amount	Credit Balances	Amount
Plant and machinery	1,00,000	Capital	2,94,500
Book Debts	40,000	Creditors	17,400
Printing & Stationery	6,000	Bills payable	17,500
Cash in hand	4,000	Discount received	900
Stock (1.4.2017)	1,26,800	Sales	1,24,000
Motor vehicles	36,000	Interest received	1,600
Cash at bank	47,000	Rent received	8,000
Purchases	12,600		
Sales Returns	16,000		
Accounting charges	7,500		
Wages	6,000		
Salaries	18,000		
Rent and insurance	10,600		
General expenses	20,100		
Bad debts	1,300		
Bills receivable	12,000		
	4,63,900		4,63,900

Adjustments:

- (a) Stock on 31-03-2018 Rs.17,000.
- (b) Depreciation on Plant & machinery @ 10% and on Motor Vehicle @ 20% per annum
- (c) Salaries outstanding Rs.2,200

25

CO5

11.	A company purchased a furniture for Rs. 1,00,000 on 1 st April 2016. It purchased another furniture for Rs. 50,000 on 1 st July 2017 and on the same date; the first furniture was sold for Rs.60,000. It purchased another furniture on 1 st October 2018 for Rs. 90,000. Depreciation is provided @ 10% on written down value. Prepare furniture account upto 31 st March, 2019.	15	CO4																																																			
12.	<p>From the following Balance Sheet of X Ltd. as at 31st March, 2018 and 2017, prepare a Common – Size Balance Sheet</p> <table border="1" data-bbox="203 403 1279 1209"> <thead> <tr> <th data-bbox="203 403 857 478">Particulars</th> <th data-bbox="857 403 1062 478">31.03.2018 Rs.</th> <th data-bbox="1062 403 1279 478">31.03.2017 Rs.</th> </tr> </thead> <tbody> <tr> <td data-bbox="203 478 857 512">I) EQUITY AND LIABILITIES</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 512 857 546"> 1) Shareholders' Funds</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 546 857 579"> a) Share Capital</td> <td data-bbox="857 546 1062 579">80,00,000</td> <td data-bbox="1062 546 1279 579">60,00,000</td> </tr> <tr> <td data-bbox="203 579 857 613"> b) Reserves and Surplus</td> <td data-bbox="857 579 1062 613">12,00,000</td> <td data-bbox="1062 579 1279 613">8,00,000</td> </tr> <tr> <td data-bbox="203 613 857 646"> 2) Non Current Liabilities</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 646 857 680"> Long Term Borrowings</td> <td data-bbox="857 646 1062 680">24,00,000</td> <td data-bbox="1062 646 1279 680">20,00,000</td> </tr> <tr> <td data-bbox="203 680 857 714"> 3) Current Liabilities</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 714 857 747"> Trade Payables</td> <td data-bbox="857 714 1062 747">4,00,000</td> <td data-bbox="1062 714 1279 747">12,00,000</td> </tr> <tr> <td data-bbox="203 747 857 781">Total</td> <td data-bbox="857 747 1062 781">1,20,00,000</td> <td data-bbox="1062 747 1279 781">1,00,00,000</td> </tr> <tr> <td data-bbox="203 781 857 814">II) ASSETS</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 814 857 848"> 1) Non Current Assets</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 848 857 882"> Fixed Assets: Tangible</td> <td data-bbox="857 848 1062 882">84,00,000</td> <td data-bbox="1062 848 1279 882">72,00,000</td> </tr> <tr> <td data-bbox="203 882 857 915"> 2) Current Assets</td> <td></td> <td></td> </tr> <tr> <td data-bbox="203 915 857 949"> a) Inventories (Stock)</td> <td data-bbox="857 915 1062 949">24,00,000</td> <td data-bbox="1062 915 1279 949">20,00,000</td> </tr> <tr> <td data-bbox="203 949 857 982"> b) Cash & Cash Equivalent</td> <td data-bbox="857 949 1062 982">12,00,000</td> <td data-bbox="1062 949 1279 982">8,00,000</td> </tr> <tr> <td data-bbox="203 982 857 1016">Total</td> <td data-bbox="857 982 1062 1016">1,20,00,000</td> <td data-bbox="1062 982 1279 1016">1,00,00,000</td> </tr> </tbody> </table>	Particulars	31.03.2018 Rs.	31.03.2017 Rs.	I) EQUITY AND LIABILITIES			1) Shareholders' Funds			a) Share Capital	80,00,000	60,00,000	b) Reserves and Surplus	12,00,000	8,00,000	2) Non Current Liabilities			Long Term Borrowings	24,00,000	20,00,000	3) Current Liabilities			Trade Payables	4,00,000	12,00,000	Total	1,20,00,000	1,00,00,000	II) ASSETS			1) Non Current Assets			Fixed Assets: Tangible	84,00,000	72,00,000	2) Current Assets			a) Inventories (Stock)	24,00,000	20,00,000	b) Cash & Cash Equivalent	12,00,000	8,00,000	Total	1,20,00,000	1,00,00,000	10	CO5
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