



Roll No. _____

University of Petroleum & Energy Studies
School of Business
Kandoli Campus, Dehradun

End Term Examination – December, 2019

Programme Name: **BBA(O&G)**
Subject: Business Accounting
Subject code: FINC 1001

Semester: I
M.Marks: 100
Duration: 3 Hrs

Note: All sections are compulsory.
CO—Course Objectives (C01)

Q1. MCQ

- 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.

- 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.

- 3) Depletion method is suitable for charging depreciation in case of:
 - a) Live stock
 - b) Plant & Machinery
 - c) Coal Mines
 - d) Land & Building

- 4) Which of the following is the correct way to calculate the value of Working Capital
 - a) Total assets – Current liability
 - b) Current assets – Current liability
 - c) Fixed assets – current assets
 - d) Current liability – Net Working Capital

- 5) 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

- 6) 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

- 7) Every balance sheet of a company at the end of the year must be in the form set out in:

- a. PART I of SCHEDULE VI of the Company's act 1956
- b. PART II of SCHEDULE VI of the Company's act 1956
- c. PART IV of SCHEDULE VII of the Company's act 1956
- d. PART VI of SCHEDULE IV of the Company's act 1956

8) Net Worth is:

- a. CA+FA-CL
- b. CA-CL
- c. CAPITAL-CL
- d. CAPITAL – FICTITIOUS ASSETS

9) Goods given as sample should be credited to:

- a. advertisement a/c
- b. sales a/c
- c. purchase a/c
- d. debtors a/c

10) Following is the procedure for preparing the Financial Statement of the company?

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

Section B

(4*5 Marks)

Short type questions

- Q2. What are Accounting concepts? Name them and explain any two accounting concept in detail? C02
- Q3. What do you mean by Analysis of Financial Statement discuss various method to analyze financial statement ? C02
- Q4. Distinguish between straight line method and written down value method for charging depreciation? C01
- Q5. "Each transaction has a double aspect." Explain this statement giving examples. C01

Section C

Descriptive type Questions.

(10*3 Marks)

- Q6. Ascertain the **Gross Profit** from the following figures: C02
- | | | |
|-----------------------|-----------|--|
| Opening Stock | 2,08000 | |
| Closing Stock | 1,87000 | |
| Purchases | 8,50000 | |
| Carriage on Purchases | 23000 | |
| Carriage on Sales | 30000 | |
| Rent of office | 48000 | |
| Sales | 14,00,000 | |

Q7. The total sales(all credit) of a firm are Rs.640000. It has a gross profit margin of 15% on sales and a current ratio is 2.5:1. The current liabilities are 96000, inventories 48000 and cash 16000.

- (1) Determine the average age of inventory, if inventory turnover is 5 times.
- (2) Determine the average collection period if the opening balance of debtors is intended to be of Rs.80000.

(Assume a 360-day year).

C03

Q8. Shubham commenced business as on January 01, 2019. Given below are his transactions for the month of Jan. 2019. Journalize them.

- Jan. 1 Business commenced with a capital of Rs. 20,000
- Jan. 2 Bank account opened by depositing cash Rs. 10,000
- Jan. 3 Goods purchased from R on credit Rs. 5,000
- Jan. 5 Goods sold to RP on credit Rs. 4,000
- Jan. 7 Goods purchased from RM on credit Rs. 6,000
- Jan. 8 Wages paid to employees Rs. 200
- Jan. 9 Goods sold to M on credit Rs. 5,000
- Jan.10 Debt paid for the months of January to March 2001 Rs. 3,000
- Jan.10 Cheque received from RP Rs. 4,000
- Jan.12 Paid for office expenses Rs. 1,000
- Jan.12 Sold Goods to Jagdish on cash Rs. 2,000
- Jan.13 Cheque issued in favor of RM Rs. 6,000

C04

Section –D
Long type Numerical

(30Marks)

Case Let

Q9. From the following particulars, prepare Balance sheet as on 31-03-12

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

Reserves 2.5% of turnover

Note:-Working notes should form part of your Answer

CO5