

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December,2019

Course: Business Accounting	Semester: I
Programme: BComLLB/BBALLB	Time: 03 hrs.
Course Code : CLNL1007	Max. Marks: 100
Instructions : As per each section mentioned below	

SECTION A (ATTEMPT ANY FIVE)	10 Marks
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		Marks	CO
Q1.	What is an accounting equation?	2	CO1
Q2.	Define liquidity ratio.	2	CO4
Q3.	What is the utility of financial statements?	2	CO2
Q4.	Define amortization.	2	CO1
Q5.	What is a current asset? Give two examples.	2	CO1
Q6.	Give example of deferred revenue expenditure.	2	CO1

SECTION B (ATTEMPT ANY TWO)	20 Marks
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Q7.	Prepare a cash book to explain the importance of it. What are primary & secondary books ?	10	CO3
Q8.	What is gross profit margin if the COGS is Rs 25lacs and net revenue being twice of investments done by company Rs 35 lacs in shares and debentures. Additional info - Authorized share capital is Rs 100 Lacs (100,000 shares @ Rs 100 each) for the company and debentures worth Rs 50 Lacs are issued by company. If company charges a depreciation of @ 10% on fixed assets worth Rs 200 Lacs then what will be the Net Profit after depreciation.	10	CO2
Q9.	How can a company raise funds for its financial needs? Explain all sources of funds.	10	CO1

SECTION-C (ATTEMPT BOTH)	20 Marks
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Q10.	“AS 3 and Indirect method of Cash Flow statement highlights the treatment of non-cash items has critical importance.” Evaluate the statement with suitable examples.	10	CO1
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Q11.	<p>Prepare a Balance sheet with the following data.</p> <p>The Authorized share capital of “Chocolates Ltd” is Rs 10 lacs. The Reserve and surpluses of the company are double its authorized share capital. The Bank loan and other unsecured loans are half of the land and buildings purchased by the company.</p> <p>The company purchased land and building worth of Rs 60 lacs. The current liabilities is Rs 40 lacs and current ratio is 2:1. The total assets of Rs 150 Lacs for the company includes furniture also. The balance of liability is towards third party loans and debentures. Prepare in horizontal format the balance sheet for the company.</p>	10	CO1
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SECTION-D (ATTEMPT BOTH)

50 Marks

Q12.	<p>From the following figures of trial balance relating to books of Raju; prepare the Trading account, P&L Account and Balance Sheet for the year ended 31st March 2018.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Particulars</th> <th style="width: 20%;">Dr. (Rs)</th> <th style="width: 20%;">Cr.(Rs)</th> </tr> </thead> <tbody> <tr><td>Sundry debtors</td><td>50,600</td><td>-</td></tr> <tr><td>Sundry creditors</td><td>-</td><td>10,000</td></tr> <tr><td>Bills receivable</td><td>5,000</td><td>-</td></tr> <tr><td>Plant & Machinery</td><td>75,000</td><td>-</td></tr> <tr><td>Purchases</td><td>90,000</td><td>-</td></tr> <tr><td>Capital</td><td>-</td><td>70,000</td></tr> <tr><td>Freehold premises</td><td>50,000</td><td>-</td></tr> <tr><td>Salaries</td><td>11,000</td><td>-</td></tr> <tr><td>Wages</td><td>14,400</td><td>-</td></tr> <tr><td>Postage & Stationery</td><td>750</td><td>-</td></tr> <tr><td>Carriage in</td><td>750</td><td>-</td></tr> <tr><td>Carriage Out</td><td>1,000</td><td>-</td></tr> <tr><td>Bad debts</td><td>950</td><td>-</td></tr> <tr><td>Bad debts provision</td><td>-</td><td>350</td></tr> <tr><td>General charges</td><td>1,500</td><td>-</td></tr> <tr><td>Cash at bank</td><td>5,300</td><td>-</td></tr> <tr><td>Cash in hand</td><td>800</td><td>-</td></tr> <tr><td>Bills payable</td><td>-</td><td>5,000</td></tr> <tr><td>Reserve</td><td>-</td><td>20,000</td></tr> <tr><td>Sales</td><td>-</td><td>2,31,700</td></tr> <tr><td>Closing Stock</td><td>30,000</td><td>-</td></tr> <tr><td>Total</td><td>3,37,050</td><td>3,37,050</td></tr> </tbody> </table>	Particulars	Dr. (Rs)	Cr.(Rs)	Sundry debtors	50,600	-	Sundry creditors	-	10,000	Bills receivable	5,000	-	Plant & Machinery	75,000	-	Purchases	90,000	-	Capital	-	70,000	Freehold premises	50,000	-	Salaries	11,000	-	Wages	14,400	-	Postage & Stationery	750	-	Carriage in	750	-	Carriage Out	1,000	-	Bad debts	950	-	Bad debts provision	-	350	General charges	1,500	-	Cash at bank	5,300	-	Cash in hand	800	-	Bills payable	-	5,000	Reserve	-	20,000	Sales	-	2,31,700	Closing Stock	30,000	-	Total	3,37,050	3,37,050	25	CO1
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	<p>Following adjustments are required:-</p> <p>a.) Raju gets salary of Rs 9,000 p.a.</p> <p>b.) Allow 5% interest on capital</p> <p>c.) Bad debts provision to be adjusted to 2.5% on sundry debtors.</p> <p>d.) 2.5% of net profit to be credited to Reserve</p> <p>e.) It was discovered in April 2017 that stock sheets of 31st March 2017 (last FY) were overcast by Rs.1000.</p>		
Q13.	<p>Case Study :-</p> <p>Balance Sheet and Profit & Loss Account of “<i>Fresh Foods Ltd</i>” is given below.</p> <p>Analyze the financial health of the company through the ratio analysis. Calculate:</p> <p>1. Gross Profit Ratio 2. Net Profit Ratio 3. Current Ratio 4. Quick ratio 5. Inventory Turnover ratio (days in year 360) 6. Debt Equity Ratio</p>	25	CO2

The following Trading and Profit and Loss Account of company for the year 31-3-2015 is given below:

Particular	Rs.	Particular	Rs.
To Opening Stock	76,250	By Sales	5,00,000
“ Purchases	3,15,250	“ Closing stock	98,500
“ Carriage and Freight	2,000		
“ Wages	5,000		
“ Gross Profit b/d	2,00,000		
	5,98,500		5,98,500
To Administration expenses	1,01,000	By Gross Profit b/d	2,00,000
“ Selling & Dist. expenses	12,000	<i>Non-operating incomes:-</i>	
“ Non-operating expenses	2,000	“ Interest on Securities	1,500
“ Financial Expenses	7,000	“ Dividend on shares	3,750
Net Profit c/d	84,000	“ Profit on sale of shares	750
	2,06,000		2,06,000

Balance Sheet of the company for year ending 31-03-2015: -

Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation (Current)	8,000	Investments (Short-term)	4,000
Profit and Loss A/c	12,000	Cash in hand	12,000
	1,20,000		1,20,000

