

Name:

Enrolment No:



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

**Course:** BBA LM

**Semester:** I

**Programme:** Business Accounting

**Time:** 03 hrs.

**Max. Marks:** 100

**Instructions:** Attempt all questions

**SECTION A**

| S. No. | Attempt all Questions   | Marks | CO |
|--------|---|-------|----|
| Q1     | Select the most appropriate answer from the following.  |       |    |
| A      | In accounts recording is made of<br><br>a. Only Financial Transaction<br>b. Only Non-Financial transaction<br>c. Financial and Non-financial transactions<br>d. Personal Transactions of Proprietor | 2     | 1  |
| B      | Discounts received are<br><br>a. Deducted by us when we pay our accounts<br>b. Given by us when we sell goods on credit<br>c. Deducted when we receive cash<br>d. None of these                     | 2     | 1  |
| C      | Depreciation arises from<br><br>a. Physical wear and tear<br>b. Fall in value of money<br>c. Fall in the market value of asset<br>d. All of the above   | 2     | 1  |
| D      | Purchase of equipment for cash<br><br>a. increase total assets<br>b. keeps total assets unchanged<br>c. decreases total assets<br>d. increases cash   | 2     | 1  |
| E      | Both assets and owner's equity (capital) would be increased by:<br><br>a. proprietor's withdrawals<br>b. purchasing a building on credit<br>c. retained earning                                     | 2     | 1  |

|                  |   |   |       |
|------------------|---|---|-------|
|                  | d. none of the above  |   |       |
| F                | While putting the value or price of an entity in financial records the lowest price is recorded not the current price or current market value. This is known as<br><br>a. Business Entity Concept<br>b. Conservatism<br>c. Cost Concept<br>d. Money Measurement Concept | 2 | 1     |
| G                | Systematic recording of business transactions in books of account is<br><br>a. Auditing<br>b. Book Keeping<br>c. Financial Accounting<br>d. Balance Sheet   | 2 | 1     |
| H                | Which of these have debit balance?<br><br>a. Income received in advance<br>b. Bank loan<br>c. Prepaid insurance premium<br>d. Both a & c  | 2 | 1     |
| I                | Trade discount is<br><br>a. Which is allowed at the time of receiving the payment.<br>b. Which is allowed at the time of sale of goods.<br>c. Which is allowed both at the time of receiving payment and sale of goods.<br>d. Allowed in all of the above.              | 2 | 1     |
| J                | Which of the following should be charged in the Profit and Loss Account?<br><br>a. Direct materials<br>b. Work in progress<br>c. Office rent<br>d. Carriage on raw materials  | 2 | 1     |
| <b>SECTION B</b> |   |   |       |
|                  | Short Answer Questions  |   |       |
| Q 2              | Distinguish between depreciation, amortization and depletion. State examples to clarify the differences. Also state 4 merits of written down method of providing depreciation.  | 5 | 2     |
| Q 3              | Distinguish between current ratio and quick ratio. Why Quick ratio is considered to be more dependable than current ratio? Specify.   | 5 | 2 & 3 |

|                  |   |    |       |
|------------------|---|----|-------|
|                  |   |    |       |
| Q 4              | Distinguish between straight line method and written down value method for charging   | 5  | 1 & 2 |
| Q 5              | Explain common size statement with its forms.   | 5  | 1     |
| <b>SECTION-C</b> |   |    |       |
|                  | <b>Descriptive Type Questions (Attempt any two)</b>   |    |       |
| Q 6              | What do you mean by Cash Flow statement? How it is prepared? Discuss its main uses.   | 15 | 2 & 3 |
| Q 7              | From the following information calculate the following<br>a) COGS b) Opening Stock & Closing Stock c) Quick Assets and Current Assets:<br>1) Stock Turnover Ratio 5 times<br>2) Stock at the end is Rs 5000 more than the stock at the beginning<br>3) Sales (all credit) Rs 2,00,000<br>4) Gross Profit Ratio $\frac{1}{4}$ on cost<br>5) Current Liabilities Rs 60,000<br>6) Quick Ratio 0.75 | 15 | 3 & 4 |
| Q 8              | Compute: a) Sales b) Sundry Debtors c) Closing Stock d) Sundry Creditors from the following information.<br><br>Debtors Velocity 3 months<br><br>Stock Velocity 8 months<br><br>Creditors Velocity 2 months<br><br>Gross Profit Ratio 25 %<br><br>Gross Profit for the year Rs 2,00,000.  | 15 | 3 & 4 |
| <b>SECTION-D</b> |   |    |       |
|                  | Case Study  |    |       |
| Q 9              | From the following balances extracted from the books of Piramal, prepare Trading and Profit and Loss Account for the year ended 31 st March 2016 and a Balance Sheet as on the date after taking into consideration the adjustments given below.<br><br><b>Trading Account 5 Marks Profit and Loss Account 10 Marks Balance Sheet 15 Marks.</b>   | 30 | 3 & 4 |

| <b>Particulars</b>             | <b>Dr.<br/>Amount</b> | <b>Cr.<br/>Amount</b> |
|--------------------------------|-----------------------|-----------------------|
| Drawings and Capital           | 7,500                 | 50,000                |
| Purchase and Sales             | 72,100                | 95,000                |
| Sales and Purchase Returns     | 1,300                 | 2,700                 |
| Sundry Debtors and Creditors   | 18,200                | 35,750                |
| Stock (1 st April 2015)        | 19,800                |                       |
| Bad Debts                      | 3,000                 |                       |
| Bills Receivables and Payables | 12,000                | 23,000                |
| Cash in Hands                  | 300                   |                       |
| Office Expense                 | 6,210                 |                       |
| Sales Van                      | 15,000                |                       |
| Sales Van Expense              | 1,400                 |                       |
| Discount                       |                       | 2,910                 |
| Rent and Taxes                 | 10,700                |                       |
| Telephone Charges              | 1,050                 |                       |
| Postage and Telegram           | 950                   |                       |
| Furniture                      | 5,000                 |                       |
| Printing and Stationary        | 2,750                 |                       |
| Commission                     | 8400                  |                       |
| Carriage Inward                | 3200                  |                       |
| Salaries and Wages             | 20,500                |                       |
|                                | <b>2,09,360</b>       | <b>2,09,360</b>       |

Adjustments:

- a) Closing Stock was valued at RS 61,700
- b) Depreciation Furniture at 10% and Sales Van at 20%
- c) Outstanding Rent amounted to Rs 900
- d) Bad Debts Rs 200
- e) Make a Provision for Bad and Doubtful Debt at Rs 900 on Debtors
- f) Charge one fourth of Salaries and Wages to Trading Account.