



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Business Accounting
Programme: BBA (A&BD) / (GES)
Time: 03 hrs.

Course Code: FINC1001
Semester: Ist
Max. Marks: 100

Instructions: All questions are compulsory.

| S. No. | Section A Each question is of 2 marks. (2 x 10) | Marks | CO |
|--------|--|-------|----|
| Q1. | Machinery was purchased for 10,000 and 500 paid as wages for erection of machinery. The whole amount should be debited to: (a) Wages A/c (b) Machinery A/c (c) Repairs A/c (d) None of these | 2 | 1 |
| Q2. | According to money measurement concept, the following will not be recorded in the books of accounts: a. Value of furniture b. Sale of goods c. Quality of services d. None of these | 2 | 1 |
| Q3. | Furniture purchased by a furniture dealer for resale is a: a. Revenue Expenditure b. Capital Expenditure c. Deferred Revenue expenditure d. None of these | 2 | 1 |
| Q4. | Cash at bank comes within the category of: a. Current assets b. Fixed assets c. Fictitious assets d. None of these | 2 | 1 |
| Q5. | If owner's equity is Rs.60,000 liabilities is Rs. 40,000 and fixed assets are Rs.90,000 then what is the value of current assets? a. 10,000 b. 40,000 c. 80,000 d. 1,00,000 | 2 | 1 |
| Q6. | Cost accounting is one of the: a. branches of accounting b. limitations of accounting c. advantages of accounting d. none of these | 2 | 1 |

| | | | |
|---|---|----|---|
| Q7. | Which of the following is not a business transaction? a. Sold goods on credit b. Purchased computer c. Paid son's fees from personal bank account d. Paid salaries to staff | 2 | 1 |
| Q8. | The same accounting principles and methods should be followed from year to year. This is a concept of: a. Consistency b. Materiality c. Full disclosure concept d. Matching concept | 2 | 1 |
| Q9. | Once a business is started it is assumed that it will be continued for a long period of time: a. Going concern concept b. Revenue recognition concept c. Accounting period concept d. Matching concept | 2 | 1 |
| Q10. | The excess of current assets over current liabilities is known as: a. Working capital b. Circulating capital c. Revolving capital d. All of these | 2 | 1 |
| Section B Each question is of 5 marks. (5 x 4) | | | |
| Q1. | Prepare the accounting equation on the basis of following information. 1. Started business with cash Rs. 25,000. 2. Paid rent in advance Rs. 5,000. 3. Sold goods on credit to Ram Rs. 800. 4. Withdrew for private use Rs. 600. | 5 | 3 |
| Q2. | State differences between Trade Discount and Cash Discount. | 5 | 2 |
| Q3. | Explain different types of accounts and also their respective rules. | 5 | 2 |
| Q4. | Journalize the following transactions: Jan. 1 Paid Rent Rs. 200 Jan. 3 Purchased goods for cash Rs. 400 Jan. 5 Paid into Bank Rs. 500 Jan. 6 Sold goods for cash Rs. 1,000. Jan. 10 Received commission Rs. 1,200 | 5 | 3 |
| Section C Each question is of 10 marks. (10 x 2) | | | |
| Q1. | X Limited purchased a machinery for Rs.85,000 on 1st October 2017. It purchased another machinery on 1st July, 2019 for Rs.30,000 and sold the 1st machinery for Rs.72,000 on 1st October 2020. Prepare machinery Account up to 31st December, 2020 if the depreciation is provided @10% per annum according to straight line method. | 10 | 3 |
| Q2. | Calculate Current Ratio from the following information: Sundry Debtors = Rs.1,20,000 Prepaid Expenses = Rs.30,000 Cash and Cash Equivalentents = Rs.30,000 Closing Stock = Rs.60,000 Furniture = Rs.2,00,000 Trade Payables = Rs.15,000 Creditors = Rs.80,000 | 10 | 4 |

| | Outstanding Expenses = Rs.1,00,000 Share Capital = Rs.2,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|------------------------|------------------------|---------|--|----------|----------|-------|--|------------------|--------|----------|---------|-------|--------|--------------------------------------|--------|--|-------|-------|--|----------|----------|--|------------------|--------|--|----------------|-------|--|---------------|-------|--|----------|--|-------|----------------------|-------|--|--------------------|--------|--------|--------------------------------|--------|-------|--------------|--------|--|--------------|-------|--|----------|-------|--|-----------|----------|
| Q3. | <p>Calculate gross profit and net profit from the following data: (Rs.)</p> <p>Opening stock 15,000 Purchases 37,900 Return inward 3,400 Return outward 2,800 Wages 1,300 Freight inward 1,900 Carriage 2,100 Sales 89,000 Closing stock 23,000 Salaries 27,300 General expenses 4,200 Printing and 3,800 stationary Bank charges 2,600 Discount allowed 600</p> | 10 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Section D Each question is of 15 marks. (15 x 2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1. | <p>From the following Trial Balance, prepare the Trading and Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date after taking into account the adjustments given below:</p> <table border="1"> <thead> <tr> <th>Trial Balance as on 31st March, 2011 Particulars</th> <th>Amount Dr. (Rs)</th> <th>Amount Cr. (Rs)</th> </tr> </thead> <tbody> <tr><td>Capital</td><td></td><td>3,20,000</td></tr> <tr><td>Drawings</td><td>7,600</td><td></td></tr> <tr><td>Purchase & Sales</td><td>93,000</td><td>1,60,000</td></tr> <tr><td>Returns</td><td>2,800</td><td>11,700</td></tr> <tr><td>Stock (April 1st, 2010)</td><td>12,000</td><td></td></tr> <tr><td>Wages</td><td>8,000</td><td></td></tr> <tr><td>Building</td><td>2,50,000</td><td></td></tr> <tr><td>Factory Expenses</td><td>20,000</td><td></td></tr> <tr><td>Trade Expenses</td><td>2,000</td><td></td></tr> <tr><td>Advertisement</td><td>2,400</td><td></td></tr> <tr><td>Interest</td><td></td><td>3,500</td></tr> <tr><td>Repair & Maintenance</td><td>1,300</td><td></td></tr> <tr><td>Debtor & Creditors</td><td>75,000</td><td>12,000</td></tr> <tr><td>Bill Receivable & Bill Payable</td><td>15,000</td><td>7,000</td></tr> <tr><td>Cash at Bank</td><td>12,000</td><td></td></tr> <tr><td>Cash in Hand</td><td>9,100</td><td></td></tr> <tr><td>Salaries</td><td>4,000</td><td></td></tr> </tbody> </table> <p>Adjustments:</p> <p>(i) Stock on 31st March, 2011 was valued at Rs. 25,000. (ii) Outstanding liabilities were: Salaries Rs. 2,000 and Repairs Rs. 1,300. (iii) Depreciate Building at 10% p.a.</p> | Trial Balance as on 31st March, 2011 Particulars | Amount Dr. (Rs) | Amount Cr. (Rs) | Capital | | 3,20,000 | Drawings | 7,600 | | Purchase & Sales | 93,000 | 1,60,000 | Returns | 2,800 | 11,700 | Stock (April 1 st , 2010) | 12,000 | | Wages | 8,000 | | Building | 2,50,000 | | Factory Expenses | 20,000 | | Trade Expenses | 2,000 | | Advertisement | 2,400 | | Interest | | 3,500 | Repair & Maintenance | 1,300 | | Debtor & Creditors | 75,000 | 12,000 | Bill Receivable & Bill Payable | 15,000 | 7,000 | Cash at Bank | 12,000 | | Cash in Hand | 9,100 | | Salaries | 4,000 | | 15 | 3 |
| Trial Balance as on 31st March, 2011 Particulars | Amount Dr. (Rs) | Amount Cr. (Rs) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital | | 3,20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drawings | 7,600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Purchase & Sales | 93,000 | 1,60,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Returns | 2,800 | 11,700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stock (April 1 st , 2010) | 12,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | 8,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building | 2,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Factory Expenses | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade Expenses | 2,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advertisement | 2,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest | | 3,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Repair & Maintenance | 1,300 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debtor & Creditors | 75,000 | 12,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bill Receivable & Bill Payable | 15,000 | 7,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash at Bank | 12,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash in Hand | 9,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries | 4,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2. | Following is the Balance Sheet of Mr. Anil. Prepare a Cash Flow Statement: | 15 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Liabilities | 2020 | 2021 | Assets | 2020 | 2021 |
|--------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| Capital | 3,00,000 | 2,20,000 | Fixed Assets | 3,00,000 | 2,50,000 |
| Trade Payables | 1,10,000 | 1,31,000 | Inventory | 80,000 | 60,000 |
| O/s Expenses | - | 16000 | Trade Receivables | 40,000 | 42,000 |
| Bank | 10,000 | - | Bank | - | 15,000 |
| Total | 4,20,000 | 3,67,000 | Total | 4,20,000 | 3,67,000 |

Other Information:

- i) There was neither any drawings nor any capital addition during the year.
- ii) There was neither any purchase nor any sale of fixed assets during the year.

OR

Cost of Goods Sold = Rs.3,00,000

Gross Profit = Rs.2,00,000

Cash Sales = Rs.3,00,000

Debtors Turnover Ratio = 4 Times

Calculate Opening and Closing Trade Receivables in each of the following cases:

1. Closing Trade Receivables are Rs.1,00,000 more than the Opening Trade Receivables.
2. Closing Trade Receivables are 3 times than Opening Trade Receivables.
3. Closing Trade Receivables were 2 times than Opening Trade Receivables.

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