

Name:	 UNIVERSITY OF TOMORROW
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2022

Course:	Semester:
Program:	Time : 03 hrs.
Course Code:	Max. Marks: 100

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
	Mark the correct Choice for the following questions:		
Q1.	Drawings account of the proprietor is a A. Personal Account B. Real account C. Nominal account D. None of the above	2	CO1
Q2.	<i>"Debit the receiver and credit the giver"</i> is applicable to A. Personal Account B. Real account C. Nominal account D. None of the above	2	CO1
Q3.	The Director of a company included his personal medical expenses in the company's income statement. Indicate the accounting principle that is violated: A. Cost principle B. Going concern concept C. Entity Concept D. Conservatism	2	CO1
Q4.	The amount listed for cash in the trial balance represents: A. The cash at the beginning of the period B. Cash receipts during the period C. Cash disbursements during the period D. The balance of cash on the date of trial balance	2	CO1

Q5.	A business has assets of Rs. 54,312 and owner's equity Rs. 23,210. What is the amount of liabilities? A. Rs. 31,102 B. Rs. 57,522 C. Rs. 44,312 D. None of these	2	CO1
Q6.	If the insurance premium paid Rs.1,000 and pre-paid insurance Rs.300. The amount of insurance premium shown in profit and loss account will be: A. Rs. 1,300 B. Rs. 1,000 C. Rs. 300 D. Rs. 700	2	CO1
Q7.	When quick ratio is 2:1 and the amount of quick assets Rs.30, 000, what is the amount of quick/current liabilities? A. Rs.15, 000 B. Rs.50, 000 C. Rs.45, 000 D. Rs.30, 000	2	CO1
Q8.	Which of the following transactions has no effect on the current ratio? A. Machinery purchased for cash B. Motor car sold for cash C. Preference shares redeemed D. Inventory sold for cash	2	CO1
Q9.	The basic objective of making the cash flow statement as statutory statement is: A. To know the extent of cash profits in the firm B. To know the funds position in the firm C. To know the liquidity position in the firm D. To know the financial position of the firm	2	CO1
Q10.	Purchase of long-term investments is treated as: A. Outflow of cash under operating activities B. Outflow of cash under investing activities C. Inflow of cash under investing activities D. Inflow of cash under financing activities	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q11.	Fill up the blanks: A. Internal users are the of the business entity. B. A would most likely use an entity's financial report to determine whether the business entity is eligible for a loan.	5	CO2

	<p>C. The Internet has assisted in decreasing the in issuing financial reports to users.</p> <p>D. users are groups outside the business entity, who uses the information to make decisions about the business entity.</p> <p><i>External, Management, Economic, Time-gap, Creditor</i></p> <p style="text-align: center;"><i>OR</i></p> <p>What, if at all, is wrong with the following accounting practices?</p> <p>A. A business records an expense for the electricity charges for the owner's home.</p> <p>B. A business buys a car at an auction for Rs 40,000 and records it at that amount. One week later, the price of the car is Rs 50,000 and the business records the car at the new market value.</p>												
Q12.	<p>State whether the following statements are true or false:</p> <p>A. Depreciation is a non-cash expense.</p> <p>B. Depreciation is also charged on current assets.</p> <p>C. Depreciation is decline in the market value of tangible fixed assets.</p> <p>D. The main cause of depreciation is wear and tear caused by its usage.</p> <p>E. Depreciation must be charged to ascertain true profit or loss of the business.</p> <p style="text-align: center;"><i>OR</i></p> <p>“Debits = Credits”. Explain</p>	5	CO2										
Q13.	<p>Match the following:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. Depreciation</td> <td style="width: 50%;">i. Wear and Tear</td> </tr> <tr> <td>B. Installation, freight and transport</td> <td>ii. Charge against profit</td> </tr> <tr> <td>C. Amortization</td> <td>iii. Natural Resources</td> </tr> <tr> <td>D. Provision</td> <td>iv. Acquisition Cost</td> </tr> <tr> <td>E. Depletion</td> <td>v. Intangible Assets</td> </tr> </table>	A. Depreciation	i. Wear and Tear	B. Installation, freight and transport	ii. Charge against profit	C. Amortization	iii. Natural Resources	D. Provision	iv. Acquisition Cost	E. Depletion	v. Intangible Assets	5	CO2
A. Depreciation	i. Wear and Tear												
B. Installation, freight and transport	ii. Charge against profit												
C. Amortization	iii. Natural Resources												
D. Provision	iv. Acquisition Cost												
E. Depletion	v. Intangible Assets												
Q14.	<p>Provide the adjustment entries to record the following:</p> <p>A. Outstanding Wages</p> <p>B. Prepaid Salary</p> <p>C. Accrued Commission</p> <p>D. Rent received in advance</p> <p>E. Provision for bad and doubtful debts</p>	5	CO2										
<p>SECTION-C 3Qx10M=30 Marks</p>													
Q15.	<p>Analyze the effect of each transaction on assets and liabilities of Zuckerberg Ltd. and show after recording every transaction that both sides of Accounting Equation remain equal:</p> <p>A. Business started with cash ₹1,50,000.</p>	10	CO3										

- B. Goods purchased form Meta Ltd. for ₹36,000.
 C. Stationery purchased for cash ₹2,200.
 D. Opened a bank account with PNB for ₹35,000.
 E. Goods sold to Piramal Ltd. for ₹16,000.
 F. Received a cheque of ₹16,000 from Piramal.
 G. Purchased goods for ₹20,000 on credit from RGV Ltd.
 H. Purchased office furniture for ₹11,200.
 I. Cash withdrawn from PNB for household purposes ₹5000.
 J. Cleared Meta Ltd.'s account by paying in cash ₹36,000.

OR

Provide the journal entries for the same transactions as given above

Prepare the Trial Balance for the following account balances extracted from the ledger of M/s Libas Traders as on 31.12.2022.

ACCOUNTS	AMOUNT
Drawings	₹ 60,000
Salaries	₹ 95,000
Capital	₹ 4,40,000
Sales Return	₹ 10,000
Sundry creditors	₹ 2,30,000
Purchase return	₹ 11,000
Bills Payable	₹ 40,000
Commission Paid	₹ 1,000
Sundry Debtors	₹ 5,00,000
Trading Expenses	₹ 25,000
Bills Receivable	₹ 52,000
Discount Earned	₹ 5,000
Plant & Machinery	₹ 45,000
Rent	₹ 20,000
Opening Stock	₹ 3,70,000
Bank Overdraft	₹ 60,000
Cash in hand	₹ 9,000
Purchases	₹ 7,08,000
Cash at Bank	₹ 25,000
Sales	₹ 11,80,000
Investment	₹ 46,000
Loan from KRK	₹ 60,000

Q16.

10

CO3

You are given the following information:

Equity Share Capital	Rs. 1,00,000
8% Preference Share capital	Rs. 80,000
9% Debentures	Rs. 60,000

Q17.

10

CO3

	General Reserve Sales Opening Stock Purchases Wages Closing Stock Selling & Distribution Expenses Other current assets Fixed Assets Current Liabilities	Rs. 10,000 Rs. 2,00,000 Rs. 12,000 Rs. 1,20,000 Rs. 8,000 Rs. 18,000 Rs. 2,000 Rs. 50,000 Rs. 2,12,000 Rs. 30,000		
	<p>Calculate the following ratios:</p> <p>i. Operating Ratio ii. Gross Profit Ratio iii. Quick Ratio iv. Working Capital Turnover Ratio v. Proprietary Ratio</p> <p style="text-align: center;"><u>OR</u></p> <p>On 1st January 2020, Sardana Transport Co. purchased five trucks for Rs. 20,000 each. Depreciation has been provided at the rate of 10% p.a. using straight line method. On January 01, 2021, one truck was sold for Rs. 15,000. On July 01, 2022, another truck (purchased for Rs. 20,000 on Jan 01, 2018) was sold for Rs. 18,000. A new truck costing Rs. 30,000 was purchased on October 01, 2022. You are required to prepare trucks account for the years ended on December 2020, 2021, and 2022 assuming that the firm closes its accounts in December every year.</p>			

SECTION-D
2Qx15M=30 Marks

	<p>Write a short note on any three of the following:</p> <p>a. Materiality Principle b. Matching Principle c. Going Concern Concept d. Conservatism</p>			15	CO4																																
	<p>The following were the balances extracted from the books of Adarsh Ltd. as on March 31, 2022.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;"><i>Debit Balances (in ₹)</i></th> <th colspan="2" style="text-align: center;"><i>Credit Balances (in ₹)</i></th> </tr> </thead> <tbody> <tr> <td style="width: 30%;">Cash in hand</td> <td style="width: 20%; text-align: right;">540</td> <td style="width: 30%;">Sales</td> <td style="width: 20%; text-align: right;">98780</td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">2630</td> <td>Return outwards</td> <td style="text-align: right;">500</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">40675</td> <td>Capital</td> <td style="text-align: right;">62000</td> </tr> <tr> <td>Return inwards</td> <td style="text-align: right;">680</td> <td>Sundry creditors</td> <td style="text-align: right;">6300</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">8480</td> <td>Rent</td> <td style="text-align: right;">9000</td> </tr> <tr> <td>Fuel and Power</td> <td style="text-align: right;">4730</td> <td></td> <td></td> </tr> <tr> <td>Carriage on sales</td> <td style="text-align: right;">3200</td> <td></td> <td></td> </tr> </tbody> </table>	<i>Debit Balances (in ₹)</i>		<i>Credit Balances (in ₹)</i>		Cash in hand	540	Sales	98780	Cash at bank	2630	Return outwards	500	Purchases	40675	Capital	62000	Return inwards	680	Sundry creditors	6300	Wages	8480	Rent	9000	Fuel and Power	4730			Carriage on sales	3200					15	CO4
<i>Debit Balances (in ₹)</i>		<i>Credit Balances (in ₹)</i>																																			
Cash in hand	540	Sales	98780																																		
Cash at bank	2630	Return outwards	500																																		
Purchases	40675	Capital	62000																																		
Return inwards	680	Sundry creditors	6300																																		
Wages	8480	Rent	9000																																		
Fuel and Power	4730																																				
Carriage on sales	3200																																				

Carriage on purchases	2040	
Opening stock	5760	
Building	32000	
Freehold land	10000	
Machinery	20000	
Salaries	15000	
Patents	7500	
General expenses	3000	
Insurance	600	
Drawings	5245	
Sundry debtors	14500	

Considering the following adjustments prepare trading and profit and loss account and balance sheet as of March 31, 2022:

1. Stock in hand on March 31, 2022, was Rs. 6,800.
2. Machinery is to be depreciated at the rate of 10% and patents @ 20%.
3. Salaries for the month of March 2022 amounting to Rs. 1,500 were outstanding.
4. Insurance includes a premium of Rs. 170 on a policy expiring on September 30, 2022.
5. Further bad debts are Rs. 725. Create a provision @ 5% on debtors.
6. Rent receivable Rs. 1,000.

OR

Prepare the Cash Flow statement from the following Balance Sheets of Surat Windmills Ltd.

Liabilities	2021 (₹)	2022 (₹)	Assets	2021 (₹)	2022 (₹)
Share Capital	4,00,000	5,00,000	Machinery	5,00,000	7,00,000
General Reserve	1,25,000	1,35,000	Long-term Investments	70,000	56,000
Profit & Loss A/C	1,10,000	1,90,000	Stock	2,10,000	2,80,000
12% Debentures	2,00,000	1,50,000	Debtors	1,40,000	1,14,000
14% Mortgage Loan	1,00,000	1,60,000	Cash	20,000	40,000
Creditors	80,000	95,000	Bank	50,000	20,000
			Share Issue Expenses	25,000	20,000
	10,15,000	12,30,000		10,15,000	12,30,000

Total Interest paid during the year amounted to Rs. 37,800