

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: B Com (Hons), B. Com (Hons- Taxation), B. Com (Hons- Banking Management and Insurance)

Semester: I

Programme: Financial Accounting (FINC 1003)

Time: 03 hrs.

Max. Marks: 100

Instructions: Scientific Calculator is allowed

SECTION A

S. No	Section A	(20 x 1 = 20 marks)	CO
	Fill in the blanks		2
1 discount is shown in the books of accounts.		1
2 profit is calculated in the preparation of profit and loss account.		3
3	Cost + = Sales.		4
4	The rule of account is debit the receiver credit the giver.		4
	Multiple choice questions		
5	The statement of assets and liabilities prepared at the end of the accounting period is called as a. Balance sheet. b. Trading account. c. Profit and loss account. d. None of these.		1
6	Discount received on goods purchased is always a. Debited. b. Credited. c. Any of the above. d. None of these.		1
7	When salary is paid to Atul tiwari ,..... account is debited. a. Atul tiwari. b. Cash. c. Salaries. d. None of these.		2
8	A machinery is purchased for Rs.40,000 on 1st April 2015 and it is depreciated at the rate of 10 % per annum according to diminishing balance method. Its value at the end of second year on 31st March 2017 is a. Rs.32,000. b. Rs.36,000.		3

9	<p>c. Rs.32,400. d. None of these.</p> <p>Delhi University is a account. a. Personal. b. Real. c. Nominal. d. None of these.</p>		2
10	<p>When the cash is withdrawn from the bank for official use account is debited a. Bank. b. Cash. c. Drawings. d. None of these.</p>		1
11	<p>Liquidity ratios consists of a. Current ratio b. Liquid ratio c. Both of the above. d. None of these</p>		2
12	<p>If operating ratio is 60 % then operating profit ratio is a. 40 % b. 60 % c. 100 % d. Data inadequate</p>		2
13	<p>Net profit as per profit and loss account is shown in a. Operating activities b. Financing activities c. Investing activities d. All of the above</p>		4
14	<p>Sale of machinery is an a. Operating activities b. Financing activities c. Investing activities d. All of the above</p>		3
14	<p>Cash flow records the total cash inflow or outflow from a. Operating activities b. Financing activities c. Investing activities d. All of the above</p>		2
15	<p>Return outwards is also called as a. Sales returns b. Purchases returns</p>		1

16	<p>c. Return inwards d. None of these</p> <p>..... is a fixed asset.</p> <p>a. Plant and Machinery b. Furniture c. Both a and b d. None of these</p>		4
17	<p>Debtors turnover ratio is also called as</p> <p>a. Debtors turnover ratio b. Payables turnover ratio c. Receivables turnover ratio d. None of these</p>		3
18	<p>..... is a current liability</p> <p>a. Bank Loan b. Bank overdraft c. Debentures d. Equity share capital</p>		2
19	<p>Bad debts recovered is shown in</p> <p>a. Trading account b. Profit and loss account c. Any of the above d. None of these</p>		1
20			

SECTION B

Q1.	<p>From the following transactions.</p> <p>a. Pass Journal entries b. Prepare Ledger account c. Prepare Trial Balance</p> <p>Jan 1 Cash deposited with bank Rs. 6,000. Jan 5 Dass paid by cheque Rs.3,000. Jan 8 Goods returned to Naresh Rs.250. Jan 10 Paid wages in cash Rs.1,000. Jan 22 Paid life insurances premium of proprietor Rs.2,600.</p>	<p>(5 Marks) (5 Marks) (5 Marks)</p>	<p>3 2 1</p>
Q2.	<p>Explain the meaning and methods of Depreciation.</p>	<p>(5 Marks)</p>	<p>3</p>

SECTION-C

Q1.	<p>Identify which of the following transactions are operating activities, financing activities and investing activities.</p> <ol style="list-style-type: none"> 1. Loan taken from bank. 2. Purchased shares from stock Exchange. 3. Sold goods for cash. 4. Cash paid to creditors. 5. Profit on sale of asset. 6. Patents purchased. 7. Cash paid for services received. 8. Cash received from services rendered. 9. Amount received from issue of debentures. 10. Plant purchased. 	(10 Marks)	4
Q2.	<p>Calculate debtors turnover ratio in each of the following cases.</p> <p>i) Net credit sales = Rs.20,000. Average debtors = Rs.10,000</p> <p>ii) Net credit sales = Rs.30,000. Opening debtors = Rs.8,000. Closing debtors = Rs.12,000</p> <p>iii) Total sales = Rs.50,000. Cash sales = Rs.40,000. Opening debtors = Rs.10,000 more than closing debtors. Closing debtors = Rs.2,000</p> <p>iv) Total Sales = Rs.40,000. Cash sales are 1/3rd of credit sales. Opening debtors are half of closing debtors. Total of opening and closing debtors = Rs.15,000</p>	(10 Marks)	3
Q3.	<p>Write Short Notes on</p> <ol style="list-style-type: none"> a. Profitability Ratios b. Accounting standards 	(5 x 2 = 10 Marks)	2 1

SECTION-D

Q1.	<p>Prepare cash flow statement from the following information :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 10%;">1991 Amount (in Rs.)</th> <th style="width: 10%;">1992 Amount (in Rs.)</th> <th style="width: 30%;">Assets</th> <th style="width: 10%;">1991 Amount (in Rs.)</th> <th style="width: 10%;">1992 Amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity share capital</td> <td>1,00,000</td> <td>1,50,000</td> <td>Land and building</td> <td>1,00,000</td> <td>80,000</td> </tr> <tr> <td>7% Preference share capital</td> <td>50,000</td> <td>60,000</td> <td>Furniture</td> <td>80,000</td> <td>95,000</td> </tr> <tr> <td>General reserve</td> <td>15,000</td> <td>25,000</td> <td>Book debts</td> <td>20,000</td> <td>10,000</td> </tr> <tr> <td>Profit and loss A/c</td> <td>80,000</td> <td>95,000</td> <td>Inventories</td> <td>20,000</td> <td>12,000</td> </tr> <tr> <td>Creditors</td> <td>10,000</td> <td>8,000</td> <td>Prepaid expenses</td> <td>25,000</td> <td>40,000</td> </tr> <tr> <td>Bank overdraft</td> <td>3,000</td> <td>6,000</td> <td>Cash</td> <td>10,000</td> <td>15,000</td> </tr> <tr> <td>Outstanding Expenses</td> <td>3,000</td> <td>1,000</td> <td>Bank</td> <td>6,000</td> <td>93,000</td> </tr> <tr> <td>Total</td> <td>2,61,000</td> <td>3,45,000</td> <td>Total</td> <td>2,61,000</td> <td>3,45,000</td> </tr> </tbody> </table> <p>Additional information :-</p> <ol style="list-style-type: none"> 1. Land and building is depreciated by 20%. 2. Furniture is depreciated by Rs.10,000. 3. Dividend paid Rs.5,000. 	Liabilities	1991 Amount (in Rs.)	1992 Amount (in Rs.)	Assets	1991 Amount (in Rs.)	1992 Amount (in Rs.)	Equity share capital	1,00,000	1,50,000	Land and building	1,00,000	80,000	7% Preference share capital	50,000	60,000	Furniture	80,000	95,000	General reserve	15,000	25,000	Book debts	20,000	10,000	Profit and loss A/c	80,000	95,000	Inventories	20,000	12,000	Creditors	10,000	8,000	Prepaid expenses	25,000	40,000	Bank overdraft	3,000	6,000	Cash	10,000	15,000	Outstanding Expenses	3,000	1,000	Bank	6,000	93,000	Total	2,61,000	3,45,000	Total	2,61,000	3,45,000	15 Marks	4
Liabilities	1991 Amount (in Rs.)	1992 Amount (in Rs.)	Assets	1991 Amount (in Rs.)	1992 Amount (in Rs.)																																																				
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Q2.

From the following trial Balance of K. S. traders prepare a Trading and Profit and Loss Account for the year ended 31st December, 2012 and a Balance Sheet as on that date:


15 Marks**4**

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Opening stock	62,000	Capital Account	1,45,000
Purchases	83,000	Sales	2,25,000
Returns Inward	6,500	Returns outward	4,300
Miscellaneous expenses	3,200	Bills payable	31,000
Patents	45,000	Sundry Creditors	32,000
Carriage	8,900	Bank loan	40,000
Plant and Machinery	84,000		
Office Furniture	28,000		
Sundry Debtors	60,000		
Manufacturing expenses	1,800		
Wages	10,000		
Octroi	1,500		
Office Rent	2,500		
Printing and Stationery	1,800		
Insurance	5,400		
Carriage outward	4,200		
Salaries	34,800		
Factory Rent	3,100		
Audit fees	730		
Bank Charges	1,570		
Drawings	5,000		
Cash in hand	1,100		
Cash at Bank	23,200		
	4,77,300		4,77,300

Adjustments:

1. Closing Stock as at 31st December 2012 Rs.40,000
2. Outstanding Liabilities to be provided for Salary Rs. 1,200, Factory Rent Rs.1,800 and Office Rent Rs. 550
3. Bad Debts provision to be made @ 5% of Sundry Debtors after writing off Bad Debts amounting to Rs.2,000.
4. Goods withdrawn worth Rs.2,500 for personal use.
5. Depreciation on plant @20%
6. Interest on capital at 5% per annum.

SET 2

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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: B Com (Hons), B. Com (Hons- Taxation), B. Com (Hons- Banking Management and Insurance)

Semester: I

Programme: Financial Accounting

Time: 03 hrs.

Max. Marks: 100

Instructions: Scientific Calculator is allowed

SECTION A

S. No.		Marks	CO
Q1	Stationery purchased by the proprietor for personal use worth Rs.450. account is credited. a. Cash. b. Drawings. c. Stationery. d. Proprietor.	(20x1 =20 marks)	3
Q2.	The rule of account is “Debit the Receiver and Credit the Giver”. a. Personal. b. Real c. Nominal d. None of these.		2
Q3.	A machine is purchased for Rs.60,000 on Ist April 1999 which is depreciated at the rate of 20% p.a. according to diminishing balance method. The written down value of the machinery on 31 st December 2000 is Rs. a. 40,800 b. 51,000 c. 36,000 d. 41,800		3
Q4.	Fixed installment method is also called as a. Straight line method. b. Original cost method. c. Both of above. d. None of these.		3
Q5.	A machine is purchased for Rs. 40,000 on Ist January 2000 and it is sold for Rs.32,000 on 31 st October 2001. The loss or profit on sale of machinery if it is depreciated @10% p.a. according to straight line method is Rs. a. Profit of 1,000 b. Loss of 1,000 c. Nether profit nor loss. d. None of these.		3
Q6.	Purchased a building worth Rs.6,00,000 for cash for running a college. It is an example of a. Capital expenditure. c. Revenue expenditure.		

	<p>b. Indirect expenditure. d. Direct expenditure.</p>		4
Q7.	<p>The amount of depreciation charged on fixed assets is</p> <p>a. Shown in profit and loss account. c. Subtracted from fixed assets in balance sheet.</p> <p>b. Both of above. d. None of these.</p>		3
Q8.	<p>..... is subtracted from capital in balance sheet.</p> <p>a. Net Profit. b. Gross profit. c. Net Loss. d. Gross loss.</p>		2
Q9.	<p>Commission received in advance is shown in side of balance sheet.</p> <p>a. Assets b. Liabilities c. Debit d. Credit.</p>		5
Q10.	<p>..... is shown in trading account.</p> <p>a. Carriage inward. c. Carriage outward.</p> <p>b. Freight outward. d. Commission received.</p>		4
Q11.	<p>The wages paid for installation of machine of a business is a:</p> <p>a. Revenue Expenditure</p> <p>b. Capital Expenditure</p> <p>c. Deferred Revenue expenditure</p> <p>d. None of these</p>		4
Q12.	<p>Furniture purchased by a furniture dealer for resale is a:</p> <p>a. Revenue Expenditure</p> <p>b. Capital Expenditure</p> <p>c. Deferred Revenue expenditure</p> <p>d. None of these</p>		3
Q13.	<p>Closing stock is also called as:</p> <p>a. Work in progress</p> <p>b. Merchandise</p> <p>c. Inventory</p> <p>d. All of the above</p>		3
Q14.	<p>Cash at bank comes within the category of:</p> <p>a. Current assets</p> <p>b. Fixed assets</p> <p>c. Fictitious assets</p> <p>d. None of these</p>		4
Q15.	<p>The excess of current assets over current liabilities is known as:</p> <p>a. Working capital</p> <p>b. Circulating capital</p> <p>c. Revolving capital</p>		4

Q16.	d. All of these 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.		4
Q17.	Fill in the blanks: Unexpired insurance is a _____ expense.		3
Q18.	Discount allowed by the Creditors is an _____ income.		4
Q19.	Opening Stock is also called as _____ .		3
Q20.	Return inwards is also called as _____ .		4

SECTION B

Q1.	From the following transactions. a. Pass Journal entries b. Prepare Ledger account c. Prepare Trial Balance i Sold goods to Ram on credit Rs.3,000 ii Purchased a scooter for proprietor's son Rs.5,000 iii Paid income tax of proprietor Rs.1,000 iv Withdrawn from bank for office use Rs.1,000 v Purchased furniture and paid by cheque Rs.2,000	(5Marks) (5Marks) (5 Marks)	4 3 3
Q2.	Explain all types of solvency ratios.	(5 Marks)	3

SECTION-C

Q1.	Identify which of the following transactions are operating activities, financing activities and investing activities. (a) Interest paid on loans. (b) Cash received from debtors. (c) Machinery purchased. (d) Income tax paid. (e) Purchased goods for cash. (f) Dividend paid. (g) Sale of motor vehicle for cash. (h) Salaries paid.	(10 Marks)	4
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<p>Q2.</p> <p>Q3.</p>	<p>(i) Redemption of preference shares. (j) Interest received on investment.</p> <p>The current ratio of a company is 3:1. State whether the following transactions will increase or decrease or not affect the current ratio. Also calculate the new current ratio in each case.</p> <p>i. Sold good costing Rs.10,000 for Rs.12,000. ii Purchased machinery and paid by cheque Rs.10,000. iii Sold furniture for cash Rs.8,000. iv Purchased goods on credit Rs.4,000. v Paid to creditors Rs.3,000.</p> <p>Difference between: a. Trade discount and cash discount. b. Fixed assets and current assets. c. Current assets and current liabilities. d. Revenue and capital Expenditure</p>	<p>(10Marks)</p> <p>(2.5x4 =10 Marks)</p>	<p>4</p> <p>4 3 2 1</p>
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SECTION-D

<p>Q1.</p>	<p>The following balance were extracted from the books of Bal Braham on 31st December, 2009.</p>				<p>Section D (15x2 = 30marks)</p>	<p>4</p>
	<p>Debit Balances</p>	<p>Amount</p>	<p>Credit Balances</p>	<p>Amount</p>		
	Miscellaneous expenses	5,400	Capital	43,800		
	General expenses	7,600	Sundry creditors	7,400		
	Buildings	22,000	Bank overdraft	13,420		
	Machinery	8,700	Sales	70,800		
	Stock (1-1-2009)	18,500	Rent received	900		
	Octroi	3,590	Commission	1,320		
	Insurance	1,315	Bills payable	9,300		
	Wages	7,200				
	Sundry debtors	8,000				
	Charity	240				
	Bad debts	1,515				

Purchases	52,000			
Plant	2,100			
Trade expenses	1,780			
Cash	7,000			
	1,46,940	1,46,940		1,46,940

(a) Stock on 31st December, 2009 was valued at Rs.34,500.

(b) Write off further bad debts of Rs.750 and maintain the provision for bad debts at 10% on sundry debtors.

(c) Provide 5% for discount on sundry creditors.

(d) Depreciate machinery at 20% and plant by 5%.

(e) Provide Rs.940 for outstanding interest on bank overdraft.

(f) Prepaid insurance Rs.250.

Prepare final accounts for the year ended 31st December, 2009 giving effect to the above adjustments.

Q2.

A company purchased a machinery for Rs.1,30,000 and spent Rs.20,000 on its installation on 1st July, 1995. It purchased another machinery on 1st April, 1996 for Rs.1,00,000. Another machinery was purchased on 1st April, 1997 for Rs.20,000 and the first machinery was sold on the same date for Rs.1,25,000. Prepare Machinery Account upto 31st December, 1997 if the depreciation is provided @ 10% per annum according to written down value method.