

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – January, 2021

Program: BBA (DM)
Subject/Course: Business Accounting
Course Code: FINC 1001

Semester: I
Max. Marks: 100
Duration: 3 Hours

IMPORTANT INSTRUCTIONS

The Question Paper shall have **three sections (A, B, C)**

Q.No	Section A (MCQ) 6 Question of 5 Marks each	Marks	
Q.1	Which of the following is/are not a revenue reserve? a. General reserve. b. Investment allowance reserve. c. Revaluation reserve. d. Capital reserve.	5	
Q.2	Recording of capital contributed by the owner as liability ensures the adherence of principle of a. Double entry b. Going concern c. Separate entity d. Materiality	5	
Q.3	As per the double entry concept a. Assets + Liabilities = Capital b. Capital = Assets – Liabilities c. Capital – Liabilities = Assets d. Capital + Assets = Liabilities	5	
Q.4	Only the significant events which affect the business must be recorded as per the principle of a. Separate entity b. Accrual c. Materiality d. Going concern	5	
Q.5	The basic concepts related to P&L Account are a. Realization concept b. Matching concept c. Cost concept d. Both (a) and (b) above	5	

Q.6	<p>Which of the following is not a fixed asset?</p> <ol style="list-style-type: none"> Building. Bank balance. Plant. Patents 	5																																				
Section B (scan & upload) 5 Question of 10 Marks each																																						
Q.7	<p>From the following balance sheet of a company, calculate</p> <ol style="list-style-type: none"> debt equity ratio, total assets to debt ratio Proprietary ratio Acid Test Ratio Current Ratio <p>Balance Sheet of X ltd as on 31.3.2019</p> <table border="1" data-bbox="155 636 1331 1203"> <tr> <td>Preference Share Capital</td> <td>7,00,000</td> <td>Plant and Machinery</td> <td>9,00,000</td> </tr> <tr> <td>Equity Share Capital</td> <td>8,00,000</td> <td>Land and Building</td> <td>4,20,000</td> </tr> <tr> <td>Reserves</td> <td>1,50,000</td> <td>Motor Car</td> <td>4,00,000</td> </tr> <tr> <td>Debentures</td> <td>3,50,000</td> <td>Furniture</td> <td>2,00,000</td> </tr> <tr> <td>Current Liability</td> <td>2,00,000</td> <td>Stock</td> <td>90,000</td> </tr> <tr> <td></td> <td></td> <td>Debtors</td> <td>80,000</td> </tr> <tr> <td></td> <td></td> <td>Cash and Bank</td> <td>1,00,000</td> </tr> <tr> <td></td> <td></td> <td>Discount on Issue of Shares</td> <td>10,000</td> </tr> <tr> <td></td> <td>22,00,000</td> <td></td> <td>22,00,000</td> </tr> </table>	Preference Share Capital	7,00,000	Plant and Machinery	9,00,000	Equity Share Capital	8,00,000	Land and Building	4,20,000	Reserves	1,50,000	Motor Car	4,00,000	Debentures	3,50,000	Furniture	2,00,000	Current Liability	2,00,000	Stock	90,000			Debtors	80,000			Cash and Bank	1,00,000			Discount on Issue of Shares	10,000		22,00,000		22,00,000	10
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Q.8	<p>From the following particulars, prepare Balance sheet as on 31-03-19</p> <ol style="list-style-type: none"> Current ratio 2 working capital Rs.400000 capital block to current assets 3:2 fixed assets to turnover 1:3 sales cash/ credit 1:2 debenture/ share capital 1:2 stock velocity 2 months creditors velocity 2 months debtors velocity 2 months gross profit ratio 25% on sales CAPITAL BLOCK: 	10																																				

	<p>Net profit 10% of turnover</p> <p>Reserves 2.5% of turnover</p> <p>Note:-Working notes should form part of your Answer</p>																																																										
Q.9	Discuss the importance of Break-even Analysis for company, what all important things can be computed. Explain with taking hypothetical figures.	10																																																									
Q.10	Prepare a format of cash flow statement as per indirect method.	10																																																									
Q.11	State the reason why Analysis of financial statements is important? Normally what does annual report of the company contains.	10																																																									
Section C (scan & upload)1 Question of 20 Marks each (Attempt any one)																																																											
Q.12	<p>From the Trial balance given below Prepare trading and profit / loss account and Balance Sheet for the year ending 31st March 2019.</p> <p>Dr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Particulars</th> <th style="width: 17%;">Amount</th> <th style="width: 33%;">Particulars</th> <th style="width: 17%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Purchases</td> <td>2,00,000</td> <td>Sales</td> <td>3,00,000</td> </tr> <tr> <td>Sales Return</td> <td>35000</td> <td>Purchase return</td> <td>25,000</td> </tr> <tr> <td>Office expenses</td> <td>25000</td> <td>Discount received</td> <td>90,000</td> </tr> <tr> <td>Debtors</td> <td>15000</td> <td>Creditors</td> <td>55,000</td> </tr> <tr> <td>Land & Building</td> <td>1,00,000</td> <td>Capital</td> <td>4,50,000</td> </tr> <tr> <td>Furniture & Fittings</td> <td>4,15,500</td> <td>Interest received</td> <td>15,000</td> </tr> <tr> <td>Fuel & Power</td> <td>9,500</td> <td></td> <td></td> </tr> <tr> <td>Cash in hand</td> <td>12,500,</td> <td></td> <td></td> </tr> <tr> <td>Cash at bank</td> <td>12,500</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td>50,000</td> <td></td> <td></td> </tr> <tr> <td>Salary & Wages</td> <td>15,000</td> <td></td> <td></td> </tr> <tr> <td>Opening stock</td> <td>45,000</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>9,35,000</td> <td>Total</td> <td>9,35,000</td> </tr> </tbody> </table> <p style="text-align: right;">Cr.</p> <p>Following are adjustment:</p> <ol style="list-style-type: none"> 1. Closing stock is valued at 65000 which has its market value of Rs.75000 2. Furniture & Fittings is to be depreciated @20% P.A. 3. Write off Rs. 1500 as Bad debts . 4. Outstanding office expenses for the year amounted to Rs.2500 5. Interest received in advance amounted to Rs.5000 <p style="text-align: center;">OR</p>	Particulars	Amount	Particulars	Amount	Purchases	2,00,000	Sales	3,00,000	Sales Return	35000	Purchase return	25,000	Office expenses	25000	Discount received	90,000	Debtors	15000	Creditors	55,000	Land & Building	1,00,000	Capital	4,50,000	Furniture & Fittings	4,15,500	Interest received	15,000	Fuel & Power	9,500			Cash in hand	12,500,			Cash at bank	12,500			Drawings	50,000			Salary & Wages	15,000			Opening stock	45,000			Total	9,35,000	Total	9,35,000	20	
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Q.12	A company having a net working capital of Rs.280000 as on 30.6.2019. Indicated the	20																																																									

following financial ratio's and performance figures:

Current Ratio	2.4:1
Liquidy Ratio	1.6:1
Inventory turnover (on cost of sales)	8
Gross profit on sales	20%
Credit allowed (months)	1.5

The company's fixed assets are equivalent to 90% of its Net Worth while reserves amounted to 40% of share capital.

Prepare the Balance Sheet of the company as on 30.6.2019 showing step by step calculation.