

Name:
Enrolment No:
SAP ID:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, January 2021

Course: Financial Accounting
Program: BCOM LLB HONS (TL)
Course Code: CLNL 2019

Semester: I
Time 03 hrs.
Max. Marks: 100

SECTION A

- 1. Each Question will carry 5 Marks**
- 2. Instruction: Select the correct answer.**

S. No.	Question	CO
Q 1	What shall be the amount of capital if cash is Rs.5000, Furniture Rs.12,000, Stock Rs.30,000 and Creditors Rs.6000. (a) Rs.53,000 (b) Rs.47,000 (c) Rs.41,000 (d) Rs.4100	CO2
Q 2	Original cost of an asset is Rs.63,000, Salvage value is Rs.3,000, and Useful Life is 6 years. The rate of depreciation under Straight Line Method will be : (a) 16.67% (b) 15.80% (c) 15.87% (d) 16.56%	CO2
Q 3	The term sales is used only for the sales of And is never used for the sale of..... (a) Assets, Investment (b) Intangible Assets, Goods (c) Assets, Goods (d) Goods, Assets	CO1
Q 4	Book-Keeping is mainly concerned with; (a) Recording of financial data (b) Designing the systems of summarizing the recorded data (c) Interpreting the data for internal and internal and external users (d) Preparation of financial statements of business enterprise	CO1
Q 5	If the manager is entitled to a commission of 5% on profits before charging this commission, he will get a commission of Rs On a profit of Rs.8400. (a) 400 (b) 424 (c) 442 (d) 420	CO2
Q 6	Which of the following is not recorded in cash book: (a) Trade Discount (b) Bad Debts (c) Credit Purchases (d) All of the above	CO1

SECTION B

- 1. Each question will carry 10 marks**
- 2. Instruction: Write short / brief notes**

Q 7	<p>“Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events, which are, in part at least, of a financial character and interpreting the results thereof.”</p> <p>In reference to this statement Define “Accounting” and what are its main objectives?</p>	CO1
Q 8	<p>“Every transaction involving money or money’s worth has a twofold aspect- the receiving of our value on the one hand and the giving of the same value of the other.”</p> <p>With the help of the above statement explain double entry system and its advantages.</p>	CO1
Q 9	<p>Depreciation may be defined as the permanent and continuing diminution in the quality, quantity or the value of an asset.</p> <p>Considering the above statement define depreciation and what the need of providing depreciation is.</p>	CO1
Q 10	<p>“Ratio analysis is a quantitative procedure of obtaining a look into a firm’s functional efficiency, liquidity, revenues, and profitability by analysing its financial records and statements.”</p> <p>Throwing light upon the above statement explain:-</p> <p>What is Ratio Analysis? What are the main objectives of ratio analysis?</p>	CO1
Q 11	<p>Final Accounts gives an idea about the profitability and financial position of a business to its management, owners, and other interested parties.</p> <p>With the help of this statement Define Final Accounts and Prepare a Trading Account with the help of imaginary figures.</p> <p style="text-align: center;">—</p>	CO3

Section C

1. Question carries 20 Marks.
2. Instruction: Attempt any one question. Show the working clearly.

Q 12(a) From the following Trail Balance of Chetan Bajaj, prepare a Trading and Profit and Loss Account for the year ended on 31 March 2020 And a Balance Sheet as at date :

CO4

Particulars (Dr. balance)	Rupees	Particulars (Cr. Balance)	Rupees
Drawings	70,000	Capital	9,00,000
Building	1,20,000	Creditors	80,000
Debtors	60,000	Sales	3,65,000
Purchases	4,70,000	Discount	1,800
Sales Return	13,800	Miscellaneous Receipts	11,000
Fire Insurance Premium	5,600	Bad Debts Provision	20,000
Life Insurance Premium	8,600	Bill Payables	57,200
Cash in hand	51,800		
Cash at Bank	51,400		
Stock (31-03-2020)	70,000		
Bad Debts	24,000		
Carriage	12,600		
Wages	55,400		
Plant	4,60,000		
Furniture	1,20,000		
Salaries	46,000		
Bank Charges	400		
Coal & Gas	24,000		
Rates & Taxes	16,000		
Bills Receivables	1,20,000		
Trade Charges	400		
	18,00,000		18,00,000

Adjustments –

- 1 – Carry Forward the following unexpired amounts -
 - (a) Fire Insurance Premium Rs.1,400
 - (b) Rates & Taxes Rs.4,000
- 2 – Depreciate Building @ 5% and Furniture @ 10%
- 3- Wages include Rs.4,000 spent on the installation of a new plant on 1 April 2019.
- 4- Make a provision of 5% on Sundry Debtors for Doubtful Debts.
- 5-Trade expenses Rs.800 and Wages Rs.3,000 have not yet been paid.
- 6- Managers is entitled to a commission of 10% on Net Profit After charging such Commission.

OR

(b)

Some data of financial accounts of a company are as follows :

Annual Sales	2,40,000
% of Gross Profit on Sale	15%
Average Inventory	34,000
Current Liabilities	24,000
Current Ratio	300%
Closing Inventory	24,000
Receivables at the end	32,000

From the above information, Calculate the following **RATIOS** :

- (A) Inventory Turnover
- (B) Receivables Turnover
- (C) Acid Test Ratio
- (D) Current Assets Turnover
- (E) Average Collection Period in months