


Name:	 UPES <small>UNIVERSITY OF TOMORROW</small>
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES	
END Semester Examination, DEC. 2024	
Course: Accounting for Managers Program: MBA ALL Course code: FINC 7010 Instructions: Attempt all Questions	Semester: I Time: 3 Hours Max. Marks: 100

Q1	SECTION A (Objective)	(10 * 2 Marks Each) – 20 Marks)
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A	Which of the following is not a fixed asset? a. Building. b. Bank balance. c. Plant. d. Patents	CO1	2
B	Which of the following is/are not a revenue reserve? a. General reserve. b. Investment allowance reserve. c. Revaluation reserve. d. Capital reserve.	CO1	2
C	Gross profit is the difference between a. Net sales and cost of goods sold b. PAT and dividends c. Net sales and cost of production d. Net sales and direct costs of production	CO1	2
D	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	CO1	2
E	The basic concepts related to balance sheet are a. Cost concept b. Business entity concept c. Accounting period concept d. Both (a) and (b) above	CO1	2
F	The basic concepts related to P&L Account are a. Realization concept b. Matching concept	CO1	2

	c. Cost concept d. Both (a) and (b) above		
G	As per the double entry concept a. Assets + Liabilities = Capital b. Capital = Assets – Liabilities c. Capital – Liabilities = Assets d. Capital + Assets = Liabilities	CO1	2
H	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	CO1	2
I	If the profit is 25% of the cost price then it is: a. 20% of the selling price b. 25% of the selling price c. 33% of the selling price d. 30% of the selling price	CO1	2
J	To test the liquidity of a concern which of the following ratio is useful? a. Acid test ratio b. Debt equity ratio c. current ratio d. Debtors turnover ratio	CO1	2

SECTION B

(4* 5 Marks Each -20 Marks)

Q2	Write Short Notes on the following a. Convention of Conservatism b. Accrual Concept c. Methods of Recording Depreciation	CO2	5
Q3	Elucidate Leverage Ratios and Profitability Ratios based on Investment	CO2	5
Q4	Compute the Net Profit Ratio from the following particulars <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Opening Stock Rs. 60,000</p> <p>Purchases Rs. 1,80,000</p> <p>Closing Stock Rs. 75,000</p> <p>Purchases Return Rs. 5,000</p> <p>Sales Rs. 2,20,000</p> <p>Sales Return Rs. 20,000</p> <p>Non-Operating expenses Rs. 10,000</p> </div> <div style="width: 30%; text-align: center;"> <p>CO2</p> <p>5</p> </div> </div>	CO2	5
Q5	What do you mean by adjusting entries? Why is it necessary to pass adjusting entries the time of preparing final accounts?	CO2	5

SECTION-C

(3* 10 Marks Each- 30 Marks)

Q6	From the following Ratios, prepare the Balance Sheet of the firm: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Inventory Turnover Ratio</p> <p>Capital Turnover Ratio (Cost of Sales/ Capital)</p> <p>Fixed Assets Turnover Ratio (Cost of Sales/Fixed Assets)</p> </div> <div style="width: 30%; text-align: center;"> <p>6 Times</p> <p>2 Times</p> <p>4 Times</p> </div> </div>	CO3	10
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Gross Profit Ratio	20%		
Debtor Collection Period	2 months		
Creditor/Average Payment Period	73 Days		
The gross profit is Rs. 60,000. Closing Stock is Rs. 5000 in excess of opening stock			

Q7	<p>The following information is related to Ambuja Cement All figures are in “thousand”</p> <table border="1"> <thead> <tr> <th>Period</th> <th>sales</th> <th>cost</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Rs.</td> </tr> <tr> <td>2023</td> <td>Rs. 24</td> <td>21.8</td> </tr> <tr> <td>2024</td> <td>Rs. 30</td> <td>Rs. 26</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 1. Calculate P/V Ratio 2. Break even sales volume 3. Annual Fixed cost 4. Margin of Safety <p style="text-align: center;">OR</p> <p>On 1st July 2021, A company purchased a Plant for Rs. 2,00,000. Depreciation was provided at 10% per annum on straight line method on 31st Dec every year. On Sep 30th 2022, additional plant was purchased for Rs. 5,00,000. On the same date, Plant purchased on July 2021 was sold for Rs. 50,000. On 30th Nov 2023, additional plant was purchased for Rs. 6,00,000.</p> <p>With Effect from 2022, the company decided to change the method of depreciation to diminishing balance method @15% p.a.</p> <p>Prepare plant account from 2021 to 2023 assuming books are closed on 31st March each year</p>	Period	sales	cost			Rs.	2023	Rs. 24	21.8	2024	Rs. 30	Rs. 26	CO3	10
Period	sales	cost													
		Rs.													
2023	Rs. 24	21.8													
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Q8	<p>Prepare Cost sheet from the following data:</p> <table> <tr> <td>Opening Material</td> <td>Rs. 30,850</td> </tr> <tr> <td>Opening Work in Progress</td> <td>Rs. 60,850</td> </tr> <tr> <td>Purchase of Material</td> <td>Rs. 1,43,250</td> </tr> <tr> <td>Direct Wages</td> <td>Rs. 178,500</td> </tr> <tr> <td>Factory Overhead</td> <td>Rs. 1,42,800</td> </tr> <tr> <td>Office and Admin Overhead</td> <td>Rs. 1,12,700</td> </tr> <tr> <td>Closing Material</td> <td>Rs. 37,700</td> </tr> <tr> <td>Closing Work in Progress</td> <td>Rs. 67,750</td> </tr> <tr> <td>Sales for the year</td> <td>Rs. 8,60,625</td> </tr> </table>	Opening Material	Rs. 30,850	Opening Work in Progress	Rs. 60,850	Purchase of Material	Rs. 1,43,250	Direct Wages	Rs. 178,500	Factory Overhead	Rs. 1,42,800	Office and Admin Overhead	Rs. 1,12,700	Closing Material	Rs. 37,700	Closing Work in Progress	Rs. 67,750	Sales for the year	Rs. 8,60,625	CO3	10
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SECTION-D Attempt any Two

(2* 15 Marks Each- 30 Marks)

Q9	<p>As a manager of Pine Tree Hospitality Group – A company managing boutique hotels and resorts in the Garhwal region, you are tasked with the preparation of Balance Sheet and Profit & Loss Account from the following information:</p> <p>Particulars</p>	CO4	15
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Particular	Amount (₹)
Capital	4,00,000
Working Capital	1,80,000
Bank Overdraft	30,000

- There is no fictitious asset.
- In current assets, there are no assets other than stock, debtors, and cash.
- Closing stock is 20% higher than opening stock.

Ratios and Information

1. **Current Ratio:** 2.5
2. **Quick Ratio:** 2
3. **Proprietary Ratio** (Fixed Asset: Proprietary Fund): 0.6
4. **Gross Profit Ratio:** 20% (to sales)
5. **Stock Velocity:** 5
6. **Debtors Velocity:** 73 days
7. **Net Profit Ratio** (to average capital employed): 10%

OR

From the following trial Balance of K. S. traders prepare a Trading and Profit and Loss Account for the year ended 31st March 2024 and a Balance Sheet as on that date:

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 March 2024 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.

Q10 . From the following information, prepare a statement showing:

- (i) Prime cost
- (ii) Works cost
- (iii) Cost of Production
- (iv) Cost of Sales
- (v) Net profit of X Ltd., which produced and sold 1000 units in June 2019.

Particulars	Rs.
Opening Stock:	
Raw Materials	24,000
Finished Goods	16,000
Closing Stock:	
Raw Materials	20,000
Finished Goods	15,000
Other Information:	
Purchase of Raw Materials	80,000
Sales	2,00,000
Direct Wages	35,000
Factory Wages	2,000
Carriage Inward	2,000
Carriage Outward	1,000
Factory Expenses	4,000
Office Salaries	15,000
Office Expenses	12,000
Factory Rent & Rates	2,500
Depreciation - Machinery	2,500
Bad Debts	1,500

OR

From the following information, prepare a Balance Sheet :

- Gross Profit Ratio= 25%
- Debtors Velocity= 3 months
- Creditors Velocity= 2 months
- Stock Turnover Ratio= 8 times
- Capital Turnover Ratio= 2.5 times

CO3
CO4

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Fixed Assets Turnover Ratio= 8 times

Gross Profit for the year ended 31st March 2023 was Rs. 80,000.

There was no long term loan or Overdraft. Reserve and Surplus amounted to Rs. 28,000 and liquid Assets were Rs. 97,333.

Closing Stock of the year was Rs. 2,000 more than the opening stock, Bills Receivable and Bills Payable were Rs. 5000 and Rs. 2,000 respectively.

Q11

The summarized balance sheet of Bhadresh Ltd. as on 31.12.2022 and 31.12.2023 is as follows:

Liabilities	2022	2023	Assets	2022	2023
Share capital	4,50,000	4,50,000	Fixed asset	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investment	50,000	60,000
P & L a/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtor	2,10,000	4,55,000
Tax provision	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
Total Liabilities	10,49,000	12,42,000	Total Assets	10,49,000	12,42,000

Additional Details:

1. Investment costing Rs. 8,000 were sold for Rs. 8,500.
2. Tax provision made during the year was Rs. 9,000.
3. During the year, part of fixed assets costing Rs. 10,000 was sold for Rs. 12,000, and the profit was included in P & L A/c.

You are required to prepare the cash flow statement for 2023.

OR

Following balances appear in the books of PTC Limited as on 1st Feb 2024

Assets Cash Rs. 16,000; Cash at Bank Rs. 14,000; Stock Rs. 60,000; Furniture Rs. 10,000; Building Rs 5,000, Debtors: Rishab Rs. 10,000; Rakesh Rs. 12,000; Dinesh Rs. 14,000

Liabilities: Creditors- G Rs. 5,000; Y Rs. 6,000

Give the Journal Entries for the following transactions in the books of PTC Limited

,,,2024		Rs
Feb 2	Bought goods of the list price of Rs. 10,000 from Shiv Traders less 10% trade discount and 2% cash discount and 40% amount is paid immediately	
Feb 3	Received a cheque from Rishab in full settlement and deposited in to the bank	9000
Feb 5	Purchased goods from Kirti of the list price of Rs. 10,000 at 20% trade discount and paid him by cheque	
Feb 8	Sold goods for cash and received a cheque	30,000
Feb 10	Deposited the above cheque in to the bank	
Feb 12	Rakesh deposited in to our bank account	7,000

C04

15

Feb 16	Paid Income Tax	9,600
Feb 20	Received a cheque from Rakesh and sent to the bank Discount allowed	3,800 1,200
Feb 21	Withdrew from bank for office use For private use	4,000 9,000
Feb 23	Sent a cheque to G in full settlement of his account	4,900
Feb 26	Cheque of Rakesh returned by bank as dishonored	
Feb 28	Dinesh was declared insolvent and 60 paise in a rupee could be recovered from his estate	
Feb 31	Bank Allowed Interest Paid rent by cheque Paid for travelling expenses by cheque	900 7,000 5000