

BUSINESS ACCOUNTING (BCA 103)

Duration: 2 Hrs

Max. Marks: 50 Mks

Instructions:

Figures to the right indicate maximum marks.

Start each question on a fresh page

All questions are compulsory

Q 1) A) Choose the correct alternative from the following:

(5)

1. The concept also known as Cost merge concept.

- A) Cost concept B) Cost attach concept C) Periodic matching of cost & revenue concept

2. The account of properties, assets or possessions of the businessman.

- A) Nominal account B) Personal account C) Real account

3. Receipts that are not arising of normal business operations.

- A) Abnormal receipts B) Capital receipts C) Revenue receipts

4. The concept which assumes that the business concern will continue for fairly long time until and unless it enters the state of liquidation.

- A) Going concern concept B) Realisation concept C) Money measurement concept

5. A statement described as "Where got-Where gone" statement.

- A) Balance sheet statement B) Cash flow statement C) Funds flow statement

Q 1) B) Match the following

(5)

Column 'A'

- 1) Capital Expenditure
- 2) Company final accounts
- 3) Convention of disclosure
- 4) Ledger
- 5) Entity Concept

Column 'B'

- A) Fair information to investors
- B) Group of accounts
- C) Keeps away private affairs of Proprietor
- D) Acquisition of assets
- E) Financial position of the company

Q 2) A) Journalise the following transactions in the books of Mr. Vinay. (10)

Year 2015

- 1st April Vinay commenced business with cash Rs.1,00,000, Machinery Rs. 50,000 and Furniture Rs. 20,000.
- 3rd April Purchased goods from Pratik & sons on credit worth Rs. 40,000.
- 5th April Purchase Machinery for cash Rs. 30,000.
- 10th April Paid for carriage inward Rs. 1,000.
- 11th April Sold goods to Rajesh Stores on credit for Rs 10,000.
- 15th April Paid to Pratik and Sons in full settlement.
- 18th April Paid Salary Rs.1,00,000.
- 20th April Received commission Rs. 5,000.
- 22nd April Purchased goods worth Rs. 5,000 on 5% Cash discount terms.
- 25th April Cash sales Rs. 8,000.

OR

Q 2) B) Prepare a Trial Balance from the following balance extracted from the books of Sawant Traders as on 31st March 2014. (10)

Capital	2,00,000
Sundry debtors	85,000
Sundry creditors	50,000
Machinery	29,000
Furniture	69,000
Sales	2,50,000
Purchases	1,20,000
Opening Stock	1,07,400
Goodwill	1,00,000
Office Expenses	20,000
Bank Loan	35,000
Interest Received	7,200
Cash Balance	11,800

Q 3) A) On 1st April 2010 Vishal Industries purchased machinery worth Rs. 20,000 and decided to charge depreciation @ 10% p.a. according to the diminishing balance method. On 1st July 2012 they sold a part of machinery for 2,000, the original cost of which on 1st April 2010 was 4,000. Prepare machinery account for 5 years. (10)

OR

Q 3) B) Mr. Sreenivas took a lease for 5 years on 1st Jan 2009 for Rs. 10,000. He decided to depreciate the lease by annuity method charging interest @ 5% p.a. As per annuity table the amount necessary to write off Re. 1 in 5 years at 5% p.a. is Rs 0.230975. Prepare the lease account for 5 years. (10)

Q 4) A) You are required to prepare financial statements from the trial balance of Raj Ltd. at the end of the year 31st march 2014 as per revised Schedule III. (10)

Particulars	Debit	Particulars	Credit
Opening Stock	50,000	Sales	3,50,000
Purchases	2,00,000	Equity Share Capital	90,000
Debtors	50,000	Interest	1,000
Loose tools	2,000	Commission	5,000
Bank Balance	30,000	Creditors	50,000
Cash Balance	18,000	Bank Overdraft	8,000
Insurance	2,000		
Building	40,000		
Machinery	44,000		
Wages	10,000		
Furniture	20,000		
Office Expenses	8,000		
Salaries	30,000		
Total	5,04,000	Total	5,04,000

Additional Information:

- 1) Closing stock is valued at Rs. 22,000.
- 2) Depreciation on Building and Machinery @ 10% p. a.
- 3) Bad debts of Rs. 2,000 are to be written off from debtors.
- 4) Prepaid Insurance Rs. 500.

OR

Q 4) B) From the following data available from revenue statement of Siemens Ltd. determine: 1) Operating ratio 2) Administrative expense ratio 3) Selling expense ratio 4) Net Profit ratio 5) Stock turnover ratio 6) Debtors turnover ratio 7) Current ratio 8) Liquid ratio 9) Capital gearing ratio 10) Proprietary ratio (10)

Profit & Loss account

Particulars	Amount	Particulars	Amount
To Opening Stock	2,50,000	By Sales	8,00,000
To Purchases	4,00,000	By Closing Stock	3,00,000
To Wages	30,000		
To Other Manufacturing Expenses	20,000		
To Administrative Expenses	30,000		
To Selling Expenses	60,000		
To Net Profit	3,10,000		
	11,00,000		11,00,000

Liabilities	Amount	Assets	Amount
Equity share capital	3,00,000	Land & Building	5,00,000
8% preference share capital	1,00,000	Debtors	60,000
Reserves	50,000	Bills Receivable	40,000
9% Debentures	2,00,000	Prepaid Expenses	5,000
Creditors	40,000	Bank	25,000
Bills payable	60,000	Stock	1,20,000
	7,50,000		7,50,000

Q 5)A) From the following balance sheet, as on 31st March 2014 and 31st March 2015, you are required to prepare

- 1) A schedule of changes in working capital
- 2) A fund flow statement

(10)

Liabilities	2014	2015	Assets	2014	2015
Equity Shares	80,000	80,000	Fixed Asset	82,000	80,000
8% Preference Shares	-	20,000	Less: Depreciation	22,000	30,000
General Reserve	40,000	40,000		60,000	50,000
Profit & Loss a/c	2,000	2,400	Debtors	40,000	48,000
Debentures	12,000	14,000	Stock	60,000	70,000
Creditors	24,000	22,000	Prepaid Expenses	600	1000
Provision for Taxation	6,000	8,400	Cash	2,400	7,000
Proposed Dividend	10,000	11,600			
Bank Overdraft	25,000	13,600			
	1,63,000	1,76,000		1,63,000	1,76,000

OR

Q 5) B) Umesh Pvt. Ltd issued 12,000 equity shares of Rs.10 each. The amount payable as follows :

(10)

Rs. 2 on application, Rs.4 on allotment, Rs.2 on first call & Rs.2 on final call. Applications were received for 13,000 shares. Excess application money was refunded to applicants. All money due were received except the final call on 500 shares. Pass necessary journal entries.