

**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 as per which the business concern to stop at regular intervals and see how it is performing.  
A) Business entity concept    B) Accounting period concept    C) Periodic matching of cost & revenue concept
2. Method of depreciation which not only takes depreciation into account but also makes provision for replacement of the asset.  
A) Sinking fund method    B) Depletion method    C) Reducing balance method
3. A statement described as "Where got-Where gone" statement.  
A) Balance sheet statement    B) Cash flow statement    C) Funds flow statement
4. Investors who are known as owners & risk bearers.  
A) Equity shareholders    B) Preference shareholders    C) Debenture holders
5. Concept which requires to record revenue and expenses of a particular accounting period, whether they are received or paid in cash or not.  
A) Realisation concept    B) Dual aspect concept    C) Accrual concept

**Q 1) B) Match the following (5)**

- | Column 'A'                               | Column 'B'                                   |
|--|--|
| 1) Trial Balance                         | A) Inward movement                           |
| 2) Revenue Expenditure                   | B) Facilitates preparation of final accounts |
| 3) Convention of Conservatism            | C) Vouchers, invoices and bills              |
| 4) Sources of Funds                      | D) Salary and wages                          |
| 5) Verifiable objective evidence concept | E) Policy of playing safe                    |

Q 2) A) Journalize the following transactions in the books of M/s. Sai Ltd.

(1)

Year 2014

- 1<sup>st</sup> June Sai commenced business with Cash Rs. 50,000, Building Rs. 4,00,000 & Machinery Rs. 50,000.  
3<sup>rd</sup> June Cash purchases Rs 40,000.  
5<sup>th</sup> June Opened a bank a/c with SBI by depositing cash Rs 25,000.  
10<sup>th</sup> June Goods sold on credit to Reema Stores Rs. 20,000.  
14<sup>th</sup> June Paid office rent Rs. 4,000.  
20<sup>th</sup> June Withdrawn cash for personal use Rs. 2,000.  
21<sup>st</sup> June Reema Stores returned goods worth Rs. 1,500 being found defective.  
25<sup>th</sup> June Purchased goods from Vishal & Sons on credit worth Rs. 50,000.  
26<sup>th</sup> June Sold goods worth Rs 600 on 5% cash discount terms.  
30<sup>th</sup> June Cash received from Reema Stores in full settlement.

OR

Q 2) B) Prepare a trial balance from the following balance extracted from the ledger of Vijay Traders as on 31<sup>st</sup> December 2015.

(10)

Capital	1,00,000
Machinery	30,000
Goodwill	34,400
Debentures	30,000
Sundry Creditors	33,000
Sundry Debtors	20,000
Cash at Bank	40,000
Sales	50,000
Stock	9,000
Bills Receivable	12,500
Purchases	44,000
Discount allowed	500
Wages	9,000
Commission Received	6,000
Purchase Return	1,500
Sales Return	1,600
Carriage Inward	9,500
Drawings	10,000

Q 3) A) A lease is purchased by a firm for Rs.30,000 on 1<sup>st</sup> Jan 2012 for a period of 4 years. It is proposed to depreciate the lease by Annuity method charging interest @ 5% per annum. As per Annuity table the amount necessary to write off Re. 1 in 4 years with interest @ 5% per annum is Rs.0.282012. Prepare lease account for a period of 4 years.

(10)

OR

**Q 3) B)** On 1<sup>st</sup> April 2010, a firm purchased machinery worth Rs.50,000. The firm decided to charge depreciation @10% p.a. according to straight line method. The machinery was sold for Rs. 25,000 on 1<sup>st</sup> October 2014. Prepare machinery account for 5 years. (10)

**Q 4) A)** You are required to prepare financial statements from the trial balance of Yash Ltd. at the end of the year 31<sup>st</sup> March 2015 as per revised schedule III. (10)

Particulars	Debit	Credit
Equity Share Capital( Share of Rs.10 each)	-	2,00,000
Sundry debtors	54,000	-
Bills receivable	18,000	-
Machinery	70,000	-
Opening Stock	40,000	-
Sundry creditors	-	28,000
Wages	10,000	-
Purchases	19,000	-
Bank balance	30,000	-
Carriage inward	3,000	-
Salaries	40,000	-
Rent	9,000	-
Sales	-	2,90,000
Cash in hand	2,00,000	-
Furniture	25,000	-

**Additional Information :**

- 1) Closing stock is valued at Rs. 12,000
- 2) Outstanding rent amounted to Rs. 1,000
- 3) Charge depreciation @ 10% on machinery
- 4) Prepaid wages Rs. 4,000

**OR**

**Q 4) B)** From the following revenue statement of Zuari Agro Ltd determine: (10)

- 1)Gross profit ratio 2)Operating ratio 3)Administrative expense ratio 4) Cost of goods ratio 5)Creditors Turnover ratio 6)Stock turnover ratio 7)Net profit ratio 8)Current ratio 9)Return on Capital employed 10)Capital gearing ratio

Particulars	Amount	Amount
Sales		5,00,000
Less : Cost of goods sold		
Opening stock	1,00,000	
Purchases	3,00,000	
Other manufacturing expenses	20,000	
Wages	50,000	

	4,70,000	
Less: Closing stock	2,50,000	2,20,000
Gross profit		2,80,000
Less: Operating Expenses:		
Administrative Expenses	10,000	
Selling Expenses	30,000	40,000
Operating Net Profit		2,40,000
Add: Non operating Incomes		10,000
		2,50,000
Less : Non operating expenses		30,000
Net Profit before tax		2,20,000

#### Balance Sheet

Liabilities	Amount	Assets	Amount
Equity share capital	1,00,000	Fixed Assets	1,52,000
6% preference share	50,000	Stock	22,000
Reserves	30,000	Debtors	51,000
7% Debentures	20,000	Bills Receivable	2,000
Creditors	34,000	Bank	12,000
Bills payable	15,000		
	<b>2,49,000</b>		<b>2,49,000</b>

**Q 5) A)** Zenith computers Ltd. Invited applications for 10,000 shares of Rs. 100 each. The amount payable on shares is given below:

Rs. 15 per share on application

Rs. 20 per share on allotment

Rs.30 per share on

first call Rs.35 on final call

All money due were received except amount on final call on 500 shares were not received. Their shares were forfeited and re-issued at Rs 50 per share.

Pass necessary journal entries.

(10)

OR

Q 5) B) The following is the balance sheet of 'Raj Ltd.' You are required to prepare:

- 1) Schedule of changes in working capital 2) Statement of Sources and Applications of Funds

(10)

Balance sheet

Liabilities	31.3.2013	31.3.2014	Assets	31.3.2013	31.3.2014
Share Capital	6,00,000	8,00,000	Building	9,20,000	8,50,000
General Reserve	4,12,000	4,32,000	Plant & Machinery	8,80,000	11,10,000
Securities Premium	2,00,000	2,00,000	Debtors	2,80,000	3,55,000
15% Debentures	6,00,000	5,00,000	Stock	1,00,000	1,97,000
Secured Loans	1,50,000	3,80,000	Bills Receivable	70,000	1,18,000
Outstanding Wages	45,000	40,000	Cash	-	-
Sundry creditors	1,20,000	1,25,000			
Bills Payable	60,000	70,000			
Bank Overdraft	63,000	83,000			
	<b>22,50,000</b>	<b>26,30,000</b>		<b>22,50,000</b>	<b>26,30,000</b>

Additional Information

1) Depreciation provided on:

- a) Building Rs. 70,000
- b) Plant and Machinery Rs. 1,00,000