

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G. DEGREE EXAMINATION – ALLIED
THIRD SEMESTER – NOVEMBER 2022
UCO 3402 – BASIC ACCOUNTING

Date: 01-12-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

SECTION A**Answer ALL the Questions**

1.	Explain the following	(5 x 1 = 5)	
a)	Balance Sheet	K1	CO1
b)	Real Account	K1	CO1
c)	Cost Sheet	K1	CO1
d)	Break Even Point	K1	CO1
e)	Current Ratio	K1	CO1
2.	Fill in the blanks	(5 x 1 = 5)	
a)	The Objective of Accounting is to ascertain Profit _____	K1	CO1
b)	Current assets are assets which can be easily converted to _____	K1	CO1
c)	Cost of sales plus profit is _____	K1	CO1
d)	_____ is the additional cost of producing an additional unit of a product.	K1	CO1
e)	Current assets excluding inventory and prepaid expenses is called as _____	K1	CO1
3.	Match the following	(5 x 1 = 5)	
a)	Factory Overhead Machinery	K2	CO1
b)	Tangible asset Inflow of cash	K2	CO1
c)	Debt Equity Ratio Variable Overhead	K2	CO1
d)	Marginal cost Manufacturing Overhead	K2	CO1
e)	Revenue Long term solvency	K2	CO1
4.	True or False	(5 x 1 = 5)	
a)	Accounting does not include Book keeping.	K2	CO1
b)	Journal is a book of Prime entry.	K2	CO1
c)	Prime cost includes Direct material, Direct wages and Other Direct expenses.	K2	CO1
d)	Contribution is the difference between Sales and Marginal cost.	K2	CO1
e)	Turnover Ratios show how efficiently assets used to generate revenue from operations.	K2	CO1

SECTION B**Answer any TWO of the following in 100 words** **(2 x 10 = 20)**

5.	Explain in detail the various Accounting concepts.	K3	CO2								
6.	What are the various elements of cost in a cost sheet.	K3	CO2								
7.	Ascertain how much value of sales must be increased for the company to achieve Break even from the following information	K3	CO2								
	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Rs.</td> </tr> <tr> <td>Sales</td> <td style="text-align: center;">4,00,000</td> </tr> <tr> <td>Fixed cost</td> <td style="text-align: center;">1,80,000</td> </tr> <tr> <td>Variable cost</td> <td style="text-align: center;">2,50,000</td> </tr> </table>		Rs.	Sales	4,00,000	Fixed cost	1,80,000	Variable cost	2,50,000		
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8.	During the year 2020, X Ltd, produced 50,000 units of a product. The following were the expenses:	K3	CO2																		
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	Prepare a Cost sheet showing cost per unit and total cost at each stage.																				

SECTION C

Answer any TWO of the following in 100 words (2 x 10 = 20)

9.	What are the Objectives of Ratio Analysis? State also the Advantages and Limitations of Ratio Analysis.	K4	CO3																														
10.	Explain Marginal Costing. What are the features of Marginal costing?	K4	CO3																														
11.	Journalise the following transactions	K4	CO3																														
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12.	From the following balances of Mr Valan's ledger, prepare a Trial Balance as on 31st Dec., 2019	K4	CO3																																																								
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SECTION D

Answer any ONE of the following

(1 x 20 = 20)

13. Ganesh Started his Business on 1st April 2020 with Rs 2,00,000 as their capital. Following were the transactions for one month:

K5

CO4

2020 April		Rs.
1	Paid into bank	10,000
2	Purchased furniture from Vivek furniture Ltd.,on credit	5000
5	Purchased goods from Sailesh	9,000
6	Sold goods on credit to Silambarasan	3,500
8	Paid to Vivek furniture Ltd.,Cash	5,000
15	Paid wages in cash	200
16	Issued cheque to Sailesh	7000
20	Received from Silambarasan	1500
21	Paid into Bank	1500
23	Cash sales	3500
25	Cash Purchases	1,800
27	Goods withdrawn for personal use	500
28	Cash withdrawn for personal use	750
29	Paid for stationery	100
30	Paid salaries by cheque	1,000

Give Journal Entries and prepare ledger accounts.

14. From the following Trial Balance of Raguram, Prepare, Trading and Profit and Loss Account for the year ended December 31st 2020 and a Balance sheet as on that date.

K5

CO4

Trial Balance

	Debit Rs.	Credit Rs.
Capital	1,40,000	3,00,000
Sales	30,000	3,50,000
Purchases	15,000	
Salaries	3000	
Rent	50,000	
Insurance	2,80,000	
Drawings	45,000	
Machinery	20,000	
Bank balance	52,000	
Cash	25,000	
Stock (1-1-2020)		
Debtors		
Creditors		10,000
	6,60,000	6,60,000

Adjustments Required:

- a) Stock on 31-12-2020 Rs 49,000
- b) Outstanding salaries Rs 3,000
- c) Rent paid in advance Rs 2,000
- d) Insurance Prepaid Rs 900

SECTION E

Answer any ONE of the following

(1 x 20 = 20)

15.	<p>The accounts of Pleasant Company Ltd., show the following details for the year 2020:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td style="text-align: right;">3,50,000</td> </tr> <tr> <td>Labour</td> <td style="text-align: right;">2,70,000</td> </tr> <tr> <td>Factory overhead</td> <td style="text-align: right;">81,000</td> </tr> <tr> <td>Administrative overhead</td> <td style="text-align: right;">56,080</td> </tr> </tbody> </table> <p>It is estimated that Rs.1,000 for Material and Rs.700 for Labour will be required for one unit of the finished product for quotation purpose. Absorb Factory overheads on the basis of Labour and Administrative overheads on the basis of works cost. A profit of 12.5% on selling price is required on quotations.</p> <p>i.) Prepare a Cost sheet and ii.) Prepare a statement of the selling price per unit of the finished product.</p>		Rs.	Materials	3,50,000	Labour	2,70,000	Factory overhead	81,000	Administrative overhead	56,080	K6	CO5														
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16.	<p>From the trading activities of Naveen Ltd., Calculate i.) Gross profit ratio ii.) Net profit ratio iii.) Operating cost ratio iv.) Operating profit ratio</p> <p align="center">Statement of Profit and Loss</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Other Income:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Income from investments</td> <td style="text-align: right;"><u>200</u></td> </tr> <tr> <td>TOTAL REVENUES</td> <td style="text-align: right;"><u>20,200</u></td> </tr> <tr> <td>Expenses:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Purchases of stock-in-trade</td> <td style="text-align: right;">17,000</td> </tr> <tr> <td style="padding-left: 20px;">Change in inventories</td> <td style="text-align: right;">-1,000</td> </tr> <tr> <td style="padding-left: 20px;">Finance costs</td> <td style="text-align: right;">300</td> </tr> <tr> <td style="padding-left: 20px;">Other expenses (Administration & Selling)</td> <td style="text-align: right;"><u>2,400</u></td> </tr> <tr> <td>TOTAL EXPENSES</td> <td style="text-align: right;"><u>18,700</u></td> </tr> <tr> <td>Profit before tax</td> <td style="text-align: right;">1,500</td> </tr> </tbody> </table>		Rs.	Revenue from operations	20,000	Other Income:		Income from investments	<u>200</u>	TOTAL REVENUES	<u>20,200</u>	Expenses:		Purchases of stock-in-trade	17,000	Change in inventories	-1,000	Finance costs	300	Other expenses (Administration & Selling)	<u>2,400</u>	TOTAL EXPENSES	<u>18,700</u>	Profit before tax	1,500	K6	CO5
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