



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G. DEGREE EXAMINATION –ALLIED

THIRD SEMESTER – APRIL 2024

UCO 3402 – BASIC ACCOUNTING

Date: 23-04-2024

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Define the following:

- a) Cost Sheet
- b) Breakeven point
- c) Drawings
- d) Current Ratio
- e) Balance Sheet

2. Fill in the blanks:

- a) _____ is the original book of recording of the business transactions in a systematic manner.
- b) The financial statements can be prepared from the _____ balances.
- c) The excess of current assets over current liabilities is called _____.
- d) _____ are assets that are purchased for permanent use in the business.
- e) Recording business transactions in a set of books is known as _____.

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

3. Match the following

- a) Intangible assets -- Inflow of cash
- b) Marginal Cost -- Long term solvency
- c) Factory Overhead -- Computer Software
- d) Revenue -- Manufacturing Overhead
- e) Debt Equity Ratio -- Variable overhead

4. -Choose the Correct Answer

- a) Accounting provides data or information on
 - A) Income and cost for the managers
 - B) Financial conditions of the institutions
 - C) Company's tax liability for a particular year
 - D) All the above
- b) Long term assets without any physical existence but, possessing a value are called
 - A) Intangible assets
 - B) Fixed assets
 - C) Current assets
 - D) Investments
- c) The assets that can be easily converted into cash within a short period, i.e., one year or less are known as
 - A) Current assets
 - B) Fixed assets
 - C) Intangible assets
 - D) Investments
- d) Gross profit is:
 - A) Cost of goods sold + Opening stock
 - B) Sales – cost of goods sold
 - C) Sales – Purchases
 - D) Net profit – expenses
- e) Two basic measures of liquidity are _____.

- A) Current ratio and Quick ratio.
B) Gross Profit ratio and Operating ratio.
C) Current ratio and Average collection period.
D) Inventory turnover and Current ratio.

SECTION B - K3 (CO2)

Answer any TWO of the following Questions:

(2 x 10 = 20)

5. "A good system of costing is an invaluable aid to the management."- Discuss

6. Explain in detail the various Accounting Concepts.

7. Prepare a cost sheet from the following data:

Particulars	₹	₹
Direct Material consumed		50,000
Direct Wages paid		40,000
Chargeable Expenses		10,000
Indirect Material		
Used in Factory	8,000	
Used in office	12,000	
Used in selling	6,000	
Used in distribution	4,000	
		30,000
Indirect Labour		
In Factory	15,000	
In office	20,000	
In selling	18,000	
In distribution	12,000	
		65,000
Indirect Expenses		
Relating to Factory	6,000	
Relating to office	3,000	
Relating to selling	1,000	
		10,000

8. Enter the following transactions in the journal of Sam who is dealing in textiles.

Dec 2021	Particulars	₹
1	Sam started business with cash	1,20,000
2	Purchased furniture for cash	20,000
3	Bought goods for cash	50,000
6	Bought goods from Kala on credit	30,000
8	Sold goods for cash	56,000
10	Sold goods to Ramu on credit	20,000
14	Paid Kala	24,000
18	Paid rent	1,000
25	Received from Ramu	16,000
28	Withdrew cash for personal use	8,000

SECTION C – K4 (CO3)

Answer any TWO of the following Questions:

(2 x 10 = 20)

9. What are the Objectives of Ratio Analysis? State also the advantages and limitations of Ratio Analysis.

10. Explain Marginal Costing. What are the features of Marginal costing?

11. From the following information relating to ABC Bros Ltd., you are required to find out:
a) P/V Ratio b) Break-even point c) Profit d) Margin of Safety e) Volume of sales to earn profit of ₹6000/-.

	₹
Total fixed costs	4,500
Total variable costs	7,500
Total sales	15,000

12. Prepare trial balance as on 31.12.2021 from the following balances of Mr. Ramesh

	₹		₹
Capital	2,00,000	Repairs	2,400
Drawings	18,000	Office lighting	2,600
Furniture	64,500	Printing & Stationery	2,700
Stock at beginning	62,050	Bank Loan	17,500
Bills receivable	7,500	Computer	30,000
Bills Payable	8,750	Debtors	46,500
Purchases	88,100	Cash in hand	17,000
Sales	1,35,450	Cash at bank	27,250
Discount allowed.	7,100	General expenses	7,100
Discount received.	3,500	Creditors	17,600

SECTION D – K5 (CO4)

Answer any ONE of the following Questions:

(1 x 20 = 20)

13. Raj has a shop selling stationery items. The following transaction took place in his business. Journalise them and also prepare individual ledgers for the month of August 2021

1	Commenced business with cash ₹4,00,000 and Goods ₹5,00,000
2	Sold goods to 'A' and money received through RTGS ₹2,50,000
3	Goods sold to 'Z' on credit for ₹20,000
5	Bill drawn on 'Z' and accepted by him ₹20,000
8	Bill received from 'Z' is discounted with the bank for ₹19,000
10	Goods sold to 'M' on credit ₹12,000
12	Goods distributed as free samples for ₹2,000
16	Goods taken for office use ₹5,000
17	'M' become insolvent and only 0.80 per rupee is received in final settlement
20	Bill of 'Z' discounted with the bank is dishonoured.

14. The following details have been obtained from the cost records of ABC Ltd.:

	₹
Stock of raw materials on 01-12-2021	75,000
Stock of raw materials on 31-12-2021	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress 01-12-2021	28,000
Work-in-progress 31-12-2021	35,000
Purchases of raw materials	66,000
Factory rent, rates and power	15,000
Depreciation of plant and machinery	3,500
Expenses on purchases	1,500
Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Travellers' wages and commission	6,500
Stock of finished goods (01-12-2021)	54,000
Stock of finished goods (31-12-2021)	31,000

Prepare a Cost Sheet giving maximum possible break up of costs and profits.

SECTION E – K6 (CO5)

Answer any ONE of the following Questions:

(1 x 20 = 20)

15. From the following Balance sheet as on 31st December 2021, Calculate
i) Debt-equity ratio ii.) Proprietary ratio iii.) Capital gearing ratio iv) Current ratio v) Liquid ratio.
Balance sheet as on 31st December 2021

Particulars	₹
I.EQUITY & LIABILITIES	
1. Shareholders fund	
(a) Share capital	
Equity share capital	1,50,000
8% Preference share capital	2,00,000
(b) Reserves and surplus	1,50,000
2. Non-current liabilities	
Long-term borrowings	4,00,000
(9% Debentures)	
3.Current liabilities	
Short-term borrowings from banks	25,000
Trade payables	75,000
TOTAL	10,00,000
II. Assets	
1. Non-Current Assets	7,50,000
Fixed assets	
2. Current Assets	1,20,000
a.) Inventories	1,00,000
b.) Trade receivables	27,500
c.) Cash and cash equivalents	-nil-
d.) Other current assets	2,500
Expenses paid in advance	
TOTAL	10,00,000

16. The following trial balance is extracted from the books of M/s. Sam, on 31.03.2021. You are required to prepare the trading and profit and loss account and the balance sheet as on date:

Particulars	₹	Particulars	₹
Debtors	12,000	Premium	5,000
Purchases	50,000	Bills Payable	10,000
Coal, Gas & water	6,000	Bank Overdraft	1,000
Factory wages	11,000	Sales	80,000
Salaries	9,000		13,000
Rent	4,000	Creditors	
Discount	3,000	Capital	20,000
Advertisement	500		
Drawings	1,000		
Loan	6,000		
Petty cash	500		
Sales Return	1,000		
Machinery	5,000		
Land & Building	10,000		
Income tax	100		
Furniture	9,900		
Total	1,29,000		1,29,000

#####