LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G. DEGREE EXAMINATION – **ALLIED**

THIRD SEMESTER – **APRIL 2024**

UCO 3402 – BASIC ACCOUNTING

Date: 24-04-2024 Dept. No. Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Answer ALL the Questions: **(10 x 2 = 20 marks)**

1. What is a journal?
2. List out any two differences between journal and ledger
3. State any two uses of final accounts
4. Explain outstanding expenses and prepaid expenses.
5. List out the various elements of costs.
6. What is meant by cost of production?
7. List out any two advantages of Ratio Analysis.
8. Write down the formula for the calculation of stock turnover ratio.
9. How do you arrive profit in marginal costing.
10. Determine the amount of variable cost from the following figures.

Sales	1,50,000
Fixed cost	30,000
Profit	40,000

PART – B

Answer any FOUR Questions: **(4 x 10 = 40 marks)**

11. Draw the format of Trading a/c, Profit & Loss account and Balance sheet.
12. Explain the advantages and limitations of Marginal costing.
13. ABCL Corporation, has prepared the following budget estimates for the year 2022-2023:

Sales units - 15,000
Fixed Expenses - ₹34,000
Sales Value - ₹1,50,000
Variable Costs - ₹6 per unit.
You are required to:
(a) Find P/V Ratio,
(b) B.E.P. and
(c) Margin of Safety

14. Record the following transactions in the books of Kailash & Co.

May	Particulars	₹
1	Kailash started his business with cash	90,000
2	Paid into bank	50,000
3	Purchased goods for cash	30,000
6	Purchased furniture by using cheque	10,000
8	Sold goods for cash	17,000
11	Purchased goods from Anand	2,000
13	Cash received from Suraj	6,950
14	Cash drawn from bank for personal use	2,500
16	Cash drawn from bank for business purpose	8,000
27	Cash paid to Anand in full settlement of his account	11,690
28	Purchase of stationary	500
31	Paid rent to Mr. Arun, the landlord	2,500
31	Paid salaries to employees	6,000

15. You are required to prepare a Trial Balance from the following as on 1st March 2020

Particulars	Amount in ₹
Capital	52,000
Sales	1,01,200
Purchase returns	1,900
Opening stock	22,000
Furniture and fittings	5,500
Sundry creditors	6,000
Investments	16,700
Salaries	1,800
Wages	1,300
Sales returns	5,200
Printing	240
Sundry debtors	31,000
Purchases	72,000
Rent	560
Carriage inwards	390
Bad debts	160
Postage	210
Travelling expenses	770
Cash at bank	3,270

16. Prepare a cost sheet from the following information

Particulars	₹
Opening stock of raw materials	20,000
Closing stock of raw materials	30,000
Purchase of raw materials	1,05,000
Import duty paid on raw materials purchased	15,000
Primary packing materials	3,000
Productive wages	95,000
Opening stock of WIP at prime cost	17,000
Closing stock of WIP at prime cost	10,000
Hire charges paid on plant	14,000
Other chargeable expenses	6,000

17. Following is the balance sheet of sunshine Ltd. For the year ending dec 31, 2023

Liabilities	Amount in ₹	Assets	Amount in ₹
Equity share capital	5,00,000	Land and building	3,50,000
5% debentures	2,00,000	Plant and machinery	2,50,000
Bank loan	1,50,000	Cash in hand	25,000
Sundry creditors	75,000	Cash at bank	55,000
Bills payable	50,000	Bills receivable	1,05,000
Outstanding expenses	5,000	Stock	1,00,000
		Prepaid expenses	10,000
Total	9,80,000		9,80,000

From the above information calculate:

(a)Current ratio

(b) Acid test ratio

(C) liquid ratio

18. Trial balance of Mr. Muralitharan as on 31.03.2020 is given below Explain the banker's right of appropriation.

Particulars	Debit (₹)	Credit (₹)
Capital	-	50,0000
Drawing	4,000	-
General expenses	5,000	-
Buildings	22,000	-
Machinery	18,680	-
Opening stock	32,400	-
Electricity	4,480	-
Taxes and insurance	2,630	-
Wages	14,400	-
Sundry debtors	12,560	-
Bank overdraft	-	6,600
Charity	210	-
Creditors	-	5,000
Bad debts	1,100	-
Loan	-	15,760
Sales	-	1,30,720
Purchase	94,000	-
Motor car	4,000	-
Reserve fund	-	1,800
Commission	-	2640
Car expenses	3,600	-
Bills payable	-	6,700
Cash	160	-
Total	2,19,220	2,19,220

Stock as on 31.03.2020 worth ₹ 47,000

Prepare final accounts for the year ending on 31.03.2020.

PART – C

Answer any TWO Questions: **(2 x 20 = 40 marks)**

19. The following are the ratios relating to the activities of national traders limited:

Stock velocity: 6 months

Creditors velocity: 2 months

Debtors' velocity: 3 months

Gross profit ratio: 25%

Gross profit for the year ended 31st December 2022 amounts to ₹ 4,00,000, closing stock of the year is ₹ 10,000 above the opening stock. Bills receivable amount to ₹ 25,000 and bills payable to ₹ 10,000.

Find out:

I. Sales
II. Purchases
III. Sundry creditors
IV. Sundry debtors
V. Closing stock

20. Prepare trading and profit and loss account for the year ending 31.12.2022 and also balance sheet as on that date:

Particulars	Debit (₹)	Credit (₹)
Sales	-	82920
Capital	-	24,000
Bank loan	-	6,000
Sundry creditors	-	9,840
Returns outwards	-	840
Interest	-	260
Dividend	-	220
Opening stock	6,200	-
Building	34,000	-
Furniture	2,000	-
Salaries	4,400	-
Rent	1,200	-
Miscellaneous expenses	1,000	-
Personal expenses	560	-
Stationeries	520	-
Wages	10,400	-
Carriage on purchases	1,120	-
Carriage on sales	1,600	-
Repair	1,800	-
Sundry debtors	12,000	-
Bad debts	240	-
Cash balance	2,600	-
Returns inwards	2,040	-
Purchases	42,400	-
Total	1,24,080	1,24,080

21. The sales turnover and profit for two years were as follows:

Year	Sales (₹)	Profit (₹)
2019	1,40,000	15,000
2020	1,60,000	20,000

You are required to calculate:

a) P/V ratio

b) Sales required to earn a profit of ₹ 40,000

c) Profit when sales are ₹ 1,20,000

22. Prepare the cost sheet from the following information:

Particulars	Amount in ₹
Stock of raw materials on 1.8.2020	40,000
WIP on 1.8.2020	25,000
Purchase of raw materials	1,00,000
Carriage inwards	10,000
Direct wages	60,000
Cost of special drawings	15,000
Hire charge for machinery	12,000
Return of raw materials	20,000
Carriage on return	3,000
Rent and rates	6,000
Cost of factory supervision	4,000
Sale of scarp	500
Cost of rectification of defective works	1,500
Stock of raw materials of 31.8.2020	15,000
Stock of WIP on 31.8.2020	12,000

###########