LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G. DEGREE EXAMINATION – **ALLIED**

FIRST SEMESTER – **APRIL 2024**

UCO 1301 – BUSINESS ACCOUNTING

Date: 05-04-2024 Dept. No. Max. : 100 Marks
Time: 01:00 PM - 04:00 PM

SECTION A

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

1.	List out any four uses of accounting.
2.	What is called Journal?
3.	What are the benefits of Balance Sheet ?
4.	In which statement the outstanding expenses and prepaid expenses are to be recoded?
5.	Give some examples for selling and distribution overheads.
6.	What is meant by cost of sales?
7.	How can you calculate Current Ratio?
8.	Calculate Gross profit Ratio Sales Rs 1,00,000 Sales Return Rs 20,000 Cost of sales Rs 50,000
9.	How do you arrive profit in marginal costing.
10.	From the following information, calculate the break-even point. Variable Cost per Unit Rs 24 Fixed Expenses Rs 120,000 Selling price per unit Rs 36.

SECTION B

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

11 Record the following transactions during the month of March 2019 in the book of journal.

		Rs
Mar 1	Paid rent	6000
2	Paid cash for office stationery	6,000
8	Purchased office equipment	1,00,000
13	Paid advertisement	6,000
15	Received cash from Kumar	80,000
18	Paid to Madhan	40,000
25	Withdraw cash for personal use	20,000
29	Paid telephone bill	6,000
30	Wages Paid	20,000
31	Paid for repairs to typewriter	3,000
31	Paid electricity bill	4,000

12 Prepare Trial balance from the following information:

	Rs		Rs
Opening stock	11,600	Cash at bank	1,000
Wages	2,200	Debtors	3,000
Carriage	200	Income tax	500
Commission (Dr)	300	Drawings	700
Purchases	12,000	Return outwards	150
Return inward	440	Sales	25,200

	Trade expenses	580	Discount received	400
	Rent	200	Capital	7,000
	Plant	2,600	Creditors	830
	Repairs	460	Loan (Cr)	1,400
	Cash in hand	200		

13 Draw the Specimen of Trading A/c, Profit & Loss Account and Balance sheet.

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

Stock of raw materials on 1.12.2020	Rs 75,000
Stock of raw materials on 31.12.2020	Rs 91,500
Direct Wages	Rs 52,500
Indirect wages	Rs 2,750
Sales	Rs 2,11,000
Work-in-progress 1.12.2020	Rs 28,000
Work-in-progress 31.12.2020	Rs 35,000
Purchases of raw materials	Rs 66,000
Factory rent, rates and power	Rs 15,000
Depreciation of plant and machinery	Rs 3,500
Expenses on purchases	Rs 1,500
Carriage outwards	Rs 2,500
Advertising	Rs 3,500
Office rent and taxes	Rs 2,500
Traveler’s wages and commission	Rs 6,500
Stock of finished goods (1.12.2020)	Rs 54,000
Stock of finished goods (31.12.2020)	Rs 31,000

Prepare a cost sheet giving the maximum possible break up of costs and profit.

15 **Given:**

Current ratio =2.8

Acid Test Ratio =1.5

Working Capital =Rs 1,62,000

Calculate:

a) Current Assets
b) Current Liabilities
c) Liquid Assets
d) Stock

16 a) Calculate Break-Even Point from the following:

Sales 1,000 Units at Rs 10 each Rs 10,000

Variable Cost per units is Rs 6

Fixed Cost is Rs 8,000

b) If the selling price is reduced to Rs 9, What is the new Break-Even Point?

17 From the following particulars pertaining to assets and liabilities of Deluxe & Co Ltd calculate (1) Current ratio (2) Liquid ratio (3) Proprietary ratio (4) Debt-Equity ratio (5) Capital Gearing ratio.

Liabilities	**Rs.**	**Assets**	**Rs.**
5,000 Equity shares	50,000	Land and Building	60,000
2,000 8% Preference shares	20,000	Plant and machinery	50,000
4,000 9% Debentures	40,000	Stock	24,000
Reserves	30,000	Debtors	20,000
Creditors	15,000	Cash and bank	5500
Bank overdraft	5,000	Pre-paid expenses	500
	1,60,000		**1,60,000**

18. The Following balances were extracted from the books of prasad on 31st March 2022.

	Rs		Rs
Capital	50,000	Creditors	5,000
Drawings	4,000	Bad Debts	1,100
General expenses	5,000	Loan	15,760
Buildings	22,000	Sales	1,30,720
Machinery	18,680	Purchases	94,000
Stock	32,400	Motor car	4,000
Power	4,480	Reserve Fund (Cr)	1,800
Taxes and Insurance	2,630	Commission (Cr)	2,640
Wages	14,400	Car Expenses	3,600
Debtors	12,560	Bills payable	6,700
Bank Overdraft	6,600	Cash	160
Charity	210		

Stock on 31st March 2022 valued at Rs 47000. Prepare the Final Accounts for the year ended on 31st March 2022.

SECTION C

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

19. Prepare Trading and Profit and Loss account for the year ended December 31st 2022 and a balance sheet as that date from the following Trial Balance of Mr.Balu

	Rs		Rs
Drawings	4,000	Capital	20,000
Buildings	10,000	Creditors	4,500
Bills receivable	2,900	Sales	16,000
Opening stock	6,000		
Purchases	2,000		
Wages	1,000		
Rent	450		
Commission	250		
Cash at Bank	1,700		
Cash in hand	6,500		
Debtors	4,400		
Furniture	500		
General expenses	800		
	40,500		40,500

Adjustments:

i) Closing stock on 31-12-2022 was Rs 4,000
ii) Interest on capital at 6% to be provided.
iii) Interest on drawings at 5% to be provided.
iv) Wages yet to be paid Rs 100
v) Rent prepaid Rs 50.

20. The sales turnover and profit during two years were as follows:

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

Calculate:

a) P/V ratio
b) Break-even point (B.E.P.)
c) Sales required to earn a profit of Rs.40,000
d) Fixed expenses
e) Profit when sales are Rs.1,20,000.

21	Prepare a Balance sheet with as many as details as possible from the following information: Gross profit Ratio 20 % Debtors Turnover 6 Times Fixed Assets to Net worth 0.80 Reserves to Capital 0.50 Current Ratio 2.50 Liquid Ratio 1.50 Net Working Capital Rs 3,00,000 Stock Turnover Ratio 6 Times
22.	Following data are extracted from the books of Prem Kumar for the year 2020

	Rs
Opening stock of raw materials	25,000
Closing stock of raw materials	40,000
Purchase of raw materials	85,000
Carriage inwards	5,000
Wages direct	75,000
Wages indirect	10,000
Other direct charges	15,000
Rent and rates – Factory	5,000
- Office	500
Indirect consumption of materials	500
Depreciation of plant	1,500
Depreciation of office furniture	100
Salary – office	2,500
Salary -salesmen	2,000
Other office expenses	900
Other factory expenses	5,700
Managing directors Remuneration	12,000
Other selling expenses	1,000
Travelling expenses	1,100
Carriage outwards	1,000
Sales	2,50,000
Advance income tax paid	15,000
Advertisement	2,000

Managing director's remuneration is allocated is Rs 4000 to the factory, Rs 2,000 to the office and Rs 6000 to the selling department. From the above information find out:

a) Prime Cost b) Works Cost c) Cost of production d) Cost of Sales e) Net Profit.

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