# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



## **U.G.** DEGREE EXAMINATION – **ALLIED**

## FIRST SEMESTER – APRIL 2024

## **UCO 1301 - BUSINESS ACCOUNTING**

	ate: 05-04-20	<b>T</b>	o.			Max.: 100 Marks
Ti	me: 01:00 PM	I - 04:00 PM				
			<b>SECTI</b>	ON A		
Ans	wer ALL the Q	uestions			(	10 x 2 =20 Marks)
1.	List out any for	ur uses of accounting.				
2.	What is called	Journal?				
3.	What are the be	enefits of Balance Sheet?				
4.	In which staten	nent the outstanding expe	nses and p	prepaid expenses are	to be reco	oded?
5.	Give some exa	mples for selling and dist	ribution o	verheads.		
6.	What is meant	by cost of sales?				
7.	How can you c	alculate Current Ratio?				
8.	Calculate Gros	s profit Ratio				
	Sales	Rs 1,00,000				
	Sales Return	· · · · · · · · · · · · · · · · · · ·				
	Cost of sales					
9.		rive profit in marginal cos				
10.		wing information, calculate	te the brea	ık-even point.		
	Variable Cost p					
	Fixed Expense					
	Selling price pe	er unit Rs 36.	CE CEL	331 B		
_	FOLID	0 4	SECTIO	ON B		1 10 10 1
	wer any FOUR			1 (3.6 1.2010.)		$\frac{1 \times 10 = 40 \text{ Marks}}{1 \times 10}$
11	Record the foll	owing transactions during	the mont		the book of	of journal.
	Man 1	Doid name		Rs		
		Paid rent		6000		
		Paid cash for office statio	•	6,000		
		Purchased office equipme Paid advertisement	HIL	1,00,000 6,000		
		Received cash from Kum	ar	80,000		
		Paid to Madhan	aı	40,000		
		Withdraw cash for person	al use	20,000		
		Paid telephone bill	iai asc	6,000		
		Wages Paid		20,000		
		Paid for repairs to typewr	iter	3,000		
		Paid electricity bill		4,000		
12		alance from the following	informat	ion:		
	-	_				
			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	

Rent		Т	1	500	D:1	400		
Plant   Repairs   2,600   Creditors   830   1,400			-			400		
Repairs   Cash in hand   200   Loan (Cr)   1,400					1	· ·		
Cash in hand				,				
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 97,000     Stock of raw materials on 31.12.2020   Rs 91,500     Direct Wages   Rs 22,500     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 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 2,500     Advertising   Rs 3,500     Office rent and taxes   Rs 2,500     Advertising   Rs 3,500     Office rent and taxes   Rs 2,500     Stock of finished goods (1.12.2020)   Rs 54,000     Stock of finished goods (1.12.2020)   Rs 54,000     Stock of finished goods (3.112.2020)   Rs 54,000     Stock of finished goods (3.112.2020)   Rs 51,000     Prepare a cost sheet giving the maximum possible break up of costs and profit.     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   d) Stock					Loan (Cr)	1,400		
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	14			from the	e cost records of Lax	mi Ltd.		
Direct Wages					-			
Indirect wages   Rs 2,750   Rs 2,11,000			ls on 31.12.2020	)	Rs 91,500			
Sales   Rs 2,11,000   Rs 28,000   Work-in-progress 1.12.2020   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   Rs 2,500   Rs 35,000   Expenses on purchases   Rs 1,500   Rs 2,500   Advertising   Rs 3,500   Rs 3,500   Advertising   Rs 3,500   Rs 2,500   Rs 34,000   Rs 6,500   Stock of finished goods (1.12.2020)   Rs 34,000   Rs 6,500   Stock of finished goods (1.12.2020)   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   d) Stock		Direct Wages			Rs 52,500			
Work-in-progress 1.12.2020		1 1			Rs 2,750			
Work-in-progress 31.12.2020		Sales			Rs 2,11,000			
Purchases of raw materials Factory rent, rates and power Depreciation of plant and machinery Rs 1,500 Expenses on purchases Carriage outwards Rs 2,500 Advertising Rs 3,500 Office rent and taxes Rs 2,500 Traveler's wages and commission Stock of finished goods (1.12.2020) Rs 54,000 Stock of finished goods (1.12.2020) Rs 31,000 Prepare a cost sheet giving the maximum possible break up of costs and profit.  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.  Liabilities Rs. Assets Rs.  Liabilities Rs. Assets Rs.  2,000 Equity shares 5,000 Land and Building 60,000 4,000 % Debentures 40,000 Stock 24,000 Reserves 30,000 Debtors 20,0000 Creditors 15,000 Cash and bank 5500 Bank overdraft 5,000 Pre-paid expenses 500					Rs 28,000			
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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.		Purchases of raw mar	terials		Rs 66,000			
Expenses on purchases   Rs 1,500   Rs 2,500   Advertising   Rs 3,500   Office rent and taxes   Rs 2,500   Rs 6,500   Stock of finished goods (1.12.2020)   Rs 54,000   Stock of finished goods (3.1.12.2020)   Rs 31,000   Prepare a cost sheet giving the maximum possible break up of costs and profit.    Given: Current ratio = 2.8   Acid Test Ratio = 1.5   Working Capital = Rs 1,62,000   Calculate: a) Current Assets   During the maximum possible break up of costs and profit.    Given: Current Liabilities   During the maximum possible break up of costs and profit.		Factory rent, rates an	d power		Rs 15,000			
Carriage outwards		Depreciation of plant	and machinery		Rs 3,500			
Advertising Office rent and taxes Traveler's wages and commission Stock of finished goods (1.12.2020) Rs 5,500 Stock of finished goods (31.12.2020) Rs 51,000 Prepare a cost sheet giving the maximum possible break up of costs and profit.  Given: Current ratio = 2.8 Acid Test Ratio = 1.5 Working Capital = Rs 1,62,000 Calculate: a) 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. S,000 Equity shares S,000 Land and Building 2,000 8% Preference shares 20,000 Plant and machinery 50,000 Reserves 30,000 Debtors 2,000 Creditors 15,000 Cash and bank 5500 Bank overdraft 5,000 Pre-paid expenses 500		Expenses on purchas	es		Rs 1,500			
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Fixed Cost is Rs 8,000 b) If the selling price is reduced to Rs 9, What is the new Break-Even Point?  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				J00				
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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								
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								
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				-				
Reserves         30,000         Debtors         20,000           Creditors         15,000         Cash and bank         5500           Bank overdraft         5,000         Pre-paid expenses         500			ares 20			50,000		
Creditors15,000Cash and bank5500Bank overdraft5,000Pre-paid expenses500		4,000 9% Debentures	40	/				
Bank overdraft 5,000 Pre-paid expenses 500		Reserves	30	0,000 E	Debtors	20,000		
		Creditors	15	5,000 C	Cash and bank	5500		
1.60.000		Bank overdraft	5	5,000 P	re-paid expenses			
1,00,000			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 31<sup>st</sup> March 2022 valued at Rs 47000. Prepare the Final Accounts for the year ended on 31<sup>st</sup> March 2022.

### **SECTION C**

### **Answer any TWO Questions**

 $(2 \times 20 = 40 \text{ Marks})$ 

19. Prepare Trading and Profit and Loss account for the year ended December 31<sup>st</sup> 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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