



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

U.G. DEGREE EXAMINATION –ALLIED

FIRST SEMESTER – APRIL 2025

UCO 1301 – BUSINESS ACCOUNTING



Date: 10-05-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A

Answer ANY FOUR of the following

4 x 10 = 40 Marks

1. Explain accounting cycle and state the various objectives and advantages of accounting.

2. Record the following transactions during the month of March 2022 in the book of journal.

	Rs
Mar 1 Paid rent	600
2 Paid cash for office stationery	60
8 Purchased office equipment	10,000
13 Paid advertisement	600
15 Received cash from Kumar	8,000
18 Paid to Maran	4,000
25 Withdraw cash for personal use	2,000
29 Paid telephone bill	600
30 Fee earned and billed to customer	20,000
31 Paid for repairs to typewriter	300
Paid electricity bill	400

3. Prepare Trial Balance as at 31.3.2024 from the books of Thiru Selvam

	Rs		Rs
Capital	49,000	Drawings	4,000
General expenses	7,000	Building	22,000
Machinery	18,680	Stock	32,400
Power	4,480	Insurance	2,610
Wages	14,400	Creditors	5,000
Bad debts	1,100	Loan (cr)	35,760
Sales	1,30,720	Purchases	94,000
Car	44,000	Reserve fund	1,800
Commission (cr)	4,640	Car expenses	3,600
Bills payable	7,700	Cash	320
Bank Overdraft	28,600	Discount	210
Drawings	14,420	Salaries	4000

4. From the following data, prepare a cost sheet:

Particulars	Rs
Cost of raw materials consumed	25,000
Direct labour	20,000
Rent of factory	2,500
Office salaries	10,000
Audit fees	300
Legal expenses	300

	Advertising	1,000
	Carriage outwards	1,500
	Commission on sales	4,000
	Bad debts	300
	Factory rates and insurance	1,000
	Factory office salaries	6,000
	Depreciation on plant and machinery	1,500
	Supervisor's salary	5,500
	Office stationery	200

5. You are given the following Balance Sheet. Calculate Current ratio, Liquid ratio, Absolute liquid ratio, Debt equity ratio, Fixed assets ratio and Proprietary ratio.

Liabilities	Rs.	Assets	Rs.
Equity share capital	2,00,000	Goodwill	1,20,000
Reserves	40,000	Fixed assets	2,80,000
P&L A/c	60,000	Stock	80,000
Secured loan	1,60,000	Debtors	40,000
Creditors	1,00,000	Bills Receivable	20,000
Provision for Tax	40,000	Cash	60,000
	6,00,000		6,00,000

6. From the following information relating to Balu 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 Rs.6,000.

Total Fixed Costs Rs.4,500
Total Variable Cost Rs.7,500
Total Sales Rs.15,000.

7. Draw the format of Trading a/c ,Profit & Loss account and Balance sheet.

8. Following are the details to the activities of Hari Traders Ltd.,
Stock velocity - 8 Months
Debtors Velocity - 3 Months
Creditors Velocity - 2 Months
Gross Profit Ratio - 25%
Gross Profit for the year – Rs 4,00,000
Bills receivable amount to Rs 25,000 and Bills payable to Rs 10,000. Closing stock of the year is Rs 10,000 more than the opening stock.
Find out : (a) Sales (b)Debtors (c) Closing Stock and (d) Creditors

SECTION B

Answer ANY THREE of the following

3 x 20 = 60 Marks

9. The following are the balances extracted from the books of Mrs. Sudha as on 31st March 2024.

Debit balances	(Rs.)	Credit Balance	(Rs.)
Drawings	4,000	Capital	20,000
Cash at Bank	1,700	Sales	16,000
Cash in Hand	6,500	Sundry creditors	4,500
Wages	1,000		
Purchases	2,000		
Stock (31.03.2023)	6,000		
Buildings	10,000		
Sundry debtors	4400		
Bills receivable	2900		
Rent	450		
Furniture	500		

Commission	250		
General expenses	800		
	40,500		40,500

Adjustments:

- Closing stock Rs. 4,000 valued as on 31.03.2024
- Interest on capital at 6% to be provided
- Interest on Drawings at 5% to be provided
- Write off bad debts Rs,100
- Wages yet to be paid Rs. 50

Prepare Trading and profit & Loss account and balance sheet as on 31st March 2024.

10. Journalize the following transactions

Date	Particulars	Amount
1 Jan 2024	Business started	Rs.2,50,000
1 Jan 2024	Cash deposited in the bank	Rs.1,50,000
3 Jan 2024	Purchase machinery on credit from Rajan	Rs.50,000
4 Jan 2024	Bought furniture from Ramesh for cash	Rs.25,000
12 Jan 2024	Goods sold to Yeshotha	Rs.22,000
13 Jan 2024	Goods returned from Yeshotha	Rs.2,000
14 Jan 2024	Sold goods for cash	Rs.50,000
15 Jan 2024	Purchased goods for cash	Rs.15,000
16 Jan 2024	Cash received from Yeshotha	Rs.10,000
17 Jan 2024	Cash paid to Ram	Rs.12,000
18 Jan 2024	Cash withdrawn from bank	Rs.50,000
19 Jan 2024	Paid Advertisement charges	Rs.12,000
20 Jan 2024	Bought office stationeries for cash	Rs.5,000
21 Jan 2024	Cash withdrawn from bank for personal use	Rs.6,000
22 Jan 2024	Paid salary	Rs.15,000
23 Jan 2024	Paid Rent	Rs.2,000

11. The following details have been obtained from the cost records of Raja Ltd.

	Rs
Stock of raw materials on 1.12.2023	75,000
Stock of raw materials on 31.12.2023	91,500
Direct Wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress 1.12.2023	28,000
Work-in-progress 31.12.2023	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
Travelers' wages and commission	
Stock of finished goods (1.12.2023)	6,500
Stock of finished goods (31.12.2023)	54,000
	31,000

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

12. The following figures relate to the trading activities of SriVari Traders for the year ended 30th June 2020.

Particulars	Rs.
Sales	5,20,000
Purchases	3,22,250
Opening Stock	76,250
Closing Stock	98,500
Sales Returns	20,000
<u>Selling and Distribution expenses:</u>	
Salaries	15,300
Advertising	4,700
Travelling	2000
<u>Administrative Expenses:</u>	
Salaries	27,000
Rent	2,700
Stationery and Postage	2,500
Depreciation	9,300
Other Charges	16,500
Provision for Taxation	40,000
<u>Non- Operating Income:</u>	
Dividend on shares	9,000
Profit on sale of shares	3,000
<u>Non- Operating Expenses:</u>	
Loss on sale of assets	4,000

You are required to

- (a) Arrange the above figures in a form suitable for analysis and
- (b) Show separately the following ratios:
 1. Gross Profit Ratio
 2. Operating Ratio
 3. Operating Profit Ratio
 4. Net Profit Ratio

13.	<p>From the following particulars, Calculate B.E.P</p> <p>Sales Rs 1,00,000</p> <p>Variable cost Rs 60,000</p> <p>Fixed overheads Rs 15,000</p> <p>Also calculate New B.E.P if</p> <ol style="list-style-type: none"> a) Selling price is reduced by 10% b) Variable cost increase by 10% c) Fixed overhead increase by 10% 								
14.	<p>You are given the following data for the 2023 of a concern:</p> <table> <tr> <td>Variable Cost</td><td>Rs.6,00,000</td></tr> <tr> <td>Fixed Cost</td><td>Rs.3,00,000</td></tr> <tr> <td>Net Profit</td><td>Rs.1,00,000</td></tr> <tr> <td>Sales</td><td>Rs.10,00,000</td></tr> </table> <p>Find (a) P.V.Ratio (b) B.E.P. (c) Profit when sales is Rs.12,00,000 (d) Sales in rupees to earn a profit of Rs.2,00,000 and (e) Margin of Safety.</p>	Variable Cost	Rs.6,00,000	Fixed Cost	Rs.3,00,000	Net Profit	Rs.1,00,000	Sales	Rs.10,00,000
Variable Cost	Rs.6,00,000								
Fixed Cost	Rs.3,00,000								
Net Profit	Rs.1,00,000								
Sales	Rs.10,00,000								

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