



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 (K1 & K2) (CO1)

(20 X 1 =20 Marks)

Answer ALL the Questions

1. Explain the following (5 x 1 = 5 Marks)

- Journal
- Current Assets
- Cost of goods sold
- Net Profit Ratio
- Profit Volume Ratio

2. Fill in the blanks (5 x 1 = 5 Marks)

- _____ is the second important stage in the accounting Cycle.
- Office rent is a part of _____ overhead.
- Variable cost is reduced from sales to find _____.
- The turnover ratio is also known as _____.
- All outstanding expenses are shown in _____.

3. Match the following (5 x 1 = 5 Marks)

- Trial Balance – 1) Selling and Distribution overhead
- Discount Received – 2) Average Stock
- Advertising – 3) The point at which no profit and no loss.
- Stock turnover ratio - 4) Credit side of the P/L a/c
- Break-even Point – 5) Checking arithmetical accuracy

4. State True or False (5 x 1 = 5 Marks)

- Accounts of person with whom the business has dealings are known as real accounts.
- The cost of Purchase of raw materials during the year is to be credited in the Trading account.
- Finished goods stocks are adjusted after finding the cost of production.
- P/V ratio of a product indicates its profit potential.
- Ratios are computed for the purpose of statutory requirements.

SECTION B (K3) (CO 2)

Answer any TWO questions

(2 x 10 = 20 Marks)

5. Journalise the following transactions in the books of Dinesh & Co.

2019		Rs.
June 1	Started business with a capital of	60,000
2	Paid into Bank	30,000
4	Purchased goods from Kamal on credit	10,000
6	Cash paid to Shriram	4,920
6	Discount allowed by him	80
8	Cash Sales	20,000
12	Goods sold to Hameed on credit	5,000
15	Purchased goods from Bharat on credit	7,500
18	Paid Salaries	4,000
20	Cash received from Prem	2,480

6.	<p>From the following particulars of a manufacturing company prepare a statement showing:</p> <p>a) Cost of materials used b) Prime Cost c) Works Cost d) Cost of Production e) Net profit</p> <table><tr><td></td><td>Rs</td></tr><tr><td>Stock of materials on 1st Jan 2024</td><td>20,000</td></tr><tr><td>Purchase of materials in January</td><td>5,50,000</td></tr><tr><td>Stock of finished goods on January 2024</td><td>25,000</td></tr><tr><td>Productive wages</td><td>2,50,000</td></tr><tr><td>Finished goods sold</td><td>12,00,000</td></tr><tr><td>Works overheads charges</td><td>75,000</td></tr><tr><td>Office and general expenses</td><td>50,000</td></tr><tr><td>Stock materials on 31st Jan 2024</td><td>70,000</td></tr><tr><td>Stock of finished goods on 31st Jan 2024</td><td>30,000</td></tr></table>		Rs	Stock of materials on 1 st Jan 2024	20,000	Purchase of materials in January	5,50,000	Stock of finished goods on January 2024	25,000	Productive wages	2,50,000	Finished goods sold	12,00,000	Works overheads charges	75,000	Office and general expenses	50,000	Stock materials on 31 st Jan 2024	70,000	Stock of finished goods on 31 st Jan 2024	30,000
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7.	<p>Given: Current Ratio = 2.6 Liquid Ratio =1.4 Working Capital= Rs. 1,10,000 Calculate: (I) Current Assets (2) Current Liabilities (3) Liquid Assets and (4) Stock.</p>																				
8.	<p>From the following particulars, calculate:</p> <p>(a) P / V Ratio (b) Profit when sales are Rs. 40,000, and (c) New break-even point if selling price is reduced by 10%</p> <p>Fixed cost = Rs. 8,000 Break-even point = Rs. 20,000 Variable cost = Rs. 60 per unit</p>																				
SECTION C(K4)(CO3)																					
Answer any TWO Questions (2 x 10 = 20 Marks)																					
9.	<p>From the following information of Gupta & Co., you are required to prepare a Trial Balance:</p> <p>Sales Rs 5,00,000 Sales Return Rs 10,000 Purchases – Rs 3,00,000 Purchase Return – Rs 5,000 Sundry Debtors Rs 4,00,000 Sundry Creditors Rs 1,50,000 Fixed Assets – Rs 2,50,000 Opening Stock Rs 1,50,000 Closing Stock Rs 2,00,000 Capital – Rs 4,70,000 Operating Expenses Rs 1,00,000 General Reserve – Rs 1,00,000 Outstanding Expenses – Rs 10,000 Cash at Bank - 25,000 Suspense Account - 50,000 (Cr) Buildings Rs 50,000</p>																				
10.	<p>The Following balances were extracted from the books of prasad on 31st March 2024.</p> <table><tr><td></td><td>Rs</td><td></td><td>Rs</td></tr><tr><td>Capital</td><td>50,000</td><td>Creditors</td><td>5,000</td></tr><tr><td>Drawings</td><td>4,000</td><td>Bad Debts</td><td>1,100</td></tr><tr><td>General expenses</td><td>5,000</td><td>Loan</td><td>15,760</td></tr><tr><td>Buildings</td><td>22,000</td><td>Sales</td><td>1,30,720</td></tr></table>		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
	Rs		Rs																		
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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 2024 valued at Rs 47000. Prepare the Final Accounts for the year ended on 31st March.

11. From the following details, you are required to find out:
 (a) Gross profit (b) Purchases (c) Opening Stock (d) Closing Stock (e) Debtors (f) Creditors
 (g) Fixed Assets
 (1) Stock Velocity = 6
 (2) Capital Turnover Ratio = 2
 (3) Fixed Turnover Ratio = 4
 (4) Gross Profit Turnover Ratio = 20%
 (5) Debtor's Velocity = 2 months
 (6) Creditor's Velocity = 73 days
 The Gross Profit was Rs. 60,000. Reserve and surplus amount to Rs. 20,000. Closing stock was Rs. 5,000 in excess on opening stock.
12. From the following information calculate:
 (1) P / V Ratio
 (2) Break-Even Point
 (3) If the selling price is reduced to Rs. 80, calculate New Break-Even Point:
 Total sales Rs. 5,00,000
 Selling price per unit Rs. 100
 Variable cost per unit Rs. 60
 Fixed cost Rs. 1,20,000

SECTION D (K5)(CO4)

Answer any TWO Questions

(2 x 20 = 40 Marks)

13. From the following trail balance of a trader, make out a trading and profit and loss account and balance sheet as on 31st March 2024.

Particulars	Debit (Rs.)	Credit (Rs.)
Sales		4,20,000
Purchases	1,05,000	
Printing charges	2,500	
Wages	77,500	
Salaries	12,500	
Opening stock	2,25,000	
Carriage inwards	8,800	
General expenses	26,250	
Trade marks	5,000	
Rates and Taxes	2,500	
Capital		1,74,800
Discount received		1,250
Loan		1,75,000
Buildings	2,00,000	
Furniture	25,000	
Machinery	50,000	
Cash	1,000	
Bank	30,000	
	7,71,050	7,71,050

	<div>Adjustments:</div> <div><div>a. The closing stock was valued at Rs.3,20,000.</div><div>b. Outstanding salaries Rs.11,750</div><div>c. Prepaid rates and taxes Rs.500.</div></div>									
14.	<div>The accounts of machine manufacturing company disclose the following information for the six-month ending 31-Dec-2021.</div> <div><div>Material used Rs 1,50,000</div><div>Production wages Rs 1,20,000</div><div>Factory overhead expenses Rs 30,000</div><div>Establishment and general expenses Rs15,000</div></div> <div>Prepare a cost sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs 1,250 and expenditure in productive wages of Rs 750, so that a price may yield a profit of 20% on the selling price.</div>									
SECTION D(K6)(CO5)										
Answer any TWO Questions (2 x 20 = 40 Marks)										
15.	<div>Prepare Balance sheet with as many details as possible from the following information:</div> <div><div>Gross Profit Ratio20 %</div><div>Debtors' Turnover ratio6 Times</div><div>Fixed Assets to net worth0.80</div><div>Reserves to Capital0.50</div><div>Current Ratio2.50</div><div>Liquid Ratio1.50</div><div>Networking CapitalRs 3,00,000</div><div>Stock Turnover Ratio6 Times</div></div>									
16.	<div>The sales and profit for 2021 and 2022 are as follows:</div> <table><tr><td></td><td>Sales (Rs)</td><td>Profit (Rs)</td></tr><tr><td>2021</td><td>140,000</td><td>10,000</td></tr><tr><td>2022</td><td>1,60,000</td><td>20,000</td></tr></table> <div>Find out:</div> <div><div>a) P/V Ratio</div><div>b) B.E.P</div><div>c) Sales for a profit of Rs 40,000</div><div>d) Profit for sale of Rs 1,20,000</div><div>e) Fixed Cost</div></div>		Sales (Rs)	Profit (Rs)	2021	140,000	10,000	2022	1,60,000	20,000
	Sales (Rs)	Profit (Rs)								
2021	140,000	10,000								
2022	1,60,000	20,000								

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