

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034****B.A. DEGREE EXAMINATION – ECONOMICS**FIRST SEMESTER – **APRIL 2023****UCO 1301 – BUSINESS ACCOUNTING**

Date: 08-05-2023

Dept. No. 

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

**SECTION - A****Answer ALL the Questions**

<b>1.</b>	<b>Define the following</b>	<b>(5 x 1 = 5)</b>	
a)	Accounting.	K1	CO1
b)	Current Assets.	K1	CO1
c)	Work cost.	K1	CO1
d)	Cost sheet.	K1	CO1
e)	Break Even Point.	K1	CO1
<b>2.</b>	<b>Fill in the blanks</b>	<b>(5 x 1 = 5)</b>	
a)	Liquid ratio is also called ----- ratio.	K1	CO1
b)	Audit fees is a part of ----- overhead.	K1	CO1
c)	Marginal cost is -----	K1	CO1
d)	Working capital is the difference between ----- and -----	K1	CO1
e)	Contribution is -----, if sales 12,00,000 and P/V ratio 35%.	K1	CO1
<b>3.</b>	<b>Match the following</b>	<b>(5 x 1 = 5)</b>	
a)	Profit and Loss - Intangible Asset	K2	CO1
b)	Bank A/C - Fixed Assets/ PV ratio	K2	CO1
c)	BEP - Personal Account	K2	CO1
d)	Wages - Nominal Account	K2	CO1
e)	Good will - Prime cost	K2	CO1
<b>4.</b>	<b>True or False</b>	<b>(5 x 1 = 5)</b>	
a)	Going concern concept assumes that the business will not be sold or liquidated in the future.	K2	CO1
b)	Sales account is a nominal account.	K2	CO1
c)	Sale of factory scrap is reduced from work cost.	K2	CO1
d)	The ideal Current ratio is 2:1.	K2	CO1
e)	PV ratio of a product indicate its profit potential.	K2	CO1

**SECTION - B****Answer any TWO Questions****(2 x 10 = 20)**

<b>5.</b>	Record the following transactions during the month of march 2019 in the journal	K3	CO2
	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 Maran 4,000		
	25 Withdraw cash for personal use 2,000		
	29 Paid telephone bill 600		

	<p>30 Fee earned and billed to customer 20,000</p> <p>31 paid for repairs to typewriter 300</p> <p>31 paid electricity bill 400</p>																																										
6.	<p>Calculate (i) Prime Cost (ii) Factory Cost (iii) Cost of Production (iv) Cost of sales (v) profit from the following particulars.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Direct Material</td> <td>100000</td> <td>Factory Lighting</td> <td>1500</td> </tr> <tr> <td>Direct Wages</td> <td>25000</td> <td>Office Lighting</td> <td>500</td> </tr> <tr> <td>Direct Expenses</td> <td>5000</td> <td>Factory Rent</td> <td>5000</td> </tr> <tr> <td>Foremen Wages</td> <td>2500</td> <td>Office Rent</td> <td>2500</td> </tr> <tr> <td>Electric Power</td> <td>500</td> <td>Salesmen Salaries</td> <td>1250</td> </tr> <tr> <td>Advertising</td> <td>1250</td> <td>Sales</td> <td>189500</td> </tr> </tbody> </table>	Particulars	Amount	Particulars	Amount	Direct Material	100000	Factory Lighting	1500	Direct Wages	25000	Office Lighting	500	Direct Expenses	5000	Factory Rent	5000	Foremen Wages	2500	Office Rent	2500	Electric Power	500	Salesmen Salaries	1250	Advertising	1250	Sales	189500	K3	CO2												
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7.	<p>Following figures relates to the trading activities of a company for the year ending 31/12/2000.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Rs</th> <th>Particulars</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>1,00,000</td> <td>Advertisement</td> <td>700</td> </tr> <tr> <td>Purchase</td> <td>70,000</td> <td>Travelling Expenses</td> <td>500</td> </tr> <tr> <td>Closing stock</td> <td>14,000</td> <td>Salaries (office)</td> <td>3,000</td> </tr> <tr> <td>Sales returns</td> <td>4,000</td> <td>Rent</td> <td>6,000</td> </tr> <tr> <td>Dividend received</td> <td>1,200</td> <td>Stationary</td> <td>200</td> </tr> <tr> <td>Profit on sale of fixed assets</td> <td>600</td> <td>Depreciation</td> <td>1,000</td> </tr> <tr> <td>Loss on sale of share</td> <td>300</td> <td>Other Expenses</td> <td>2,000</td> </tr> <tr> <td>Opening stock</td> <td>11,000</td> <td>Provision for tax</td> <td>7,000</td> </tr> <tr> <td>Salary of salesmen</td> <td>1,800</td> <td></td> <td></td> </tr> </tbody> </table> <p>Calculate a) Gross profit ratio b) Operating profit ratio c) Operating ratio d) Net profit ratio.</p>	Particulars	Rs	Particulars	Rs	Sales	1,00,000	Advertisement	700	Purchase	70,000	Travelling Expenses	500	Closing stock	14,000	Salaries (office)	3,000	Sales returns	4,000	Rent	6,000	Dividend received	1,200	Stationary	200	Profit on sale of fixed assets	600	Depreciation	1,000	Loss on sale of share	300	Other Expenses	2,000	Opening stock	11,000	Provision for tax	7,000	Salary of salesmen	1,800			K3	CO2
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9.	<p>Given:</p> <p>Current asset ratio = 2.8</p> <p>Acid-test ratio = 1.5</p> <p>Working capital =Rs. 1,62,000</p> <p>Calculate a) Current assets b) Current liabilities c) Liquid assets and d) Stock</p>	K4	CO3																																								
10.	<p>The following are the balances extracted from the books of Mrs.S as on 31<sup>st</sup> March 2004.</p>	K4	CO3																																								

Debit Balances	(Rs.)	Credit Balance	(Rs.)
Drawings	40,000	Capital	2,00,000
Cash at Bank	17,000	Sales	1,60,000
Cash in Hand	60,000	Sundry creditors	45,000
Wages	10,000		
Purchases	20,000		
Stock (31.03.2003)	60,000		
Buildings	1,00,000		
Sundry debtors	44,000		
Bills receivable	29,000		
Rent	4,500		
Furniture	5,000		
Commission	2,500		
General expenses	8,000		
Suspense Account	5,000		

Prepare Trading and profit & Loss account and balance sheet as on 31<sup>st</sup> March 2004.

11. a) Calculate Debtor turnover ratio and debtor collection period.  
Credit sales for the year - Rs. 12,000  
Debtors - Rs. 1,000  
Bills Receivable - Rs.1,000
- b) Calculate stock turnover ratio and stock turn over period.  
Sales – Rs10,00,000  
Gross profit ratio 20%  
Stock at the beginning of the year – Rs. 1,75,000  
Stock at the end the of year – Rs. 1,45,000.

K4 CO3

12. The sales and profit for period I and period II are as follows

	Sales (Rs.)	Profit (Rs.)
Period I	20,000	1,000
Period II	10,000	400

- a) PV Ratio  
b) BEP  
c) Fixed cost  
d) Profit when sales are Rs. 30,000

K4 CO3

#### SECTION- D

Answer any ONE Question

(1 x 20 = 20)

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 2000.

K5 CO4

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	

**Adjustments:**

- The closing stock was valued at Rs.3,20,000.
- Outstanding salaries Rs.10,000.
- Prepaid rates and taxes Rs.500.

14.	Prepare a cost sheet giving the maximum possible break up of costs and profit.	K5	CO4																																		
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**SECTION- E**

**Answer any ONE Question (1 x 20 = 20)**

15.	Enter the following transactions in the Journal, Ledger and Trial balance of Hans Raj of Chennai. March 1 Hans Raj commenced business with cash Rs 30,000 3 Purchased goods for cash Rs 1500 4 Deposited into Bank Rs 21000 5 Withdrew from bank for office use Rs 1500 6 Sold goods to Ramu Rs 1500 10 Purchased goods on credit from Kannan Rs 680 19 Received from Ramu Rs 1470 and allowed him discount Rs 30 20 Cash sales Rs 2400 27 Paid to Kannan in full settlement Rs 650 28 Paid Rent Rs 150 Paid salary Rs 300	K6	CO5
16.	Form the following particulars, Draw up the Balance Sheet of the company: Gross Profit Ratio 20% Current Ratio Debtor turnover ratio 6 times Fixed asset to worth .80 Reserve to Capital .50 Current Ratio 2.50 Liquid ratio 1.50 Ne working Capital Rs. 3,00,000 Stock turnover ratio 6 times	K6	CO5

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