

# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



**U.G. DEGREE EXAMINATION – ALLIED**

**THIRD SEMESTER – APRIL 2023**

**UCO 3402 – BASIC ACCOUNTING**

Date: 12-05-2023

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

## SECTION A

**Answer ALL the Questions**

<b>1.</b>	<b>True or False</b>		<b>(5 x 1 = 5)</b>
a)	Owner and Business are same.	K1	CO1
b)	Trading account shows Net Profit.	K1	CO1
c)	Cost + Profit = Sales	K1	CO1
d)	Gross Profit Ratio = (Gross Profit / Sales) * 100	K1	CO1
e)	Direct Wages is an example of Variable Cost.	K1	CO1
<b>2.</b>	<b>Fill in the blanks</b>		<b>(5 x 1 = 5)</b>
a)	Dual aspect concept is also known as _____ concept.	K1	CO1
b)	Salaries will appear in _____ a/c while preparing final accounts of a sole proprietorship concern.	K1	CO1
c)	Prime Cost is also known as _____ Cost.	K1	CO1
d)	_____ is an arithmetical relationship between two accounting variables.	K1	CO1
e)	Sales – Variable Cost = _____	K1	CO1
<b>3.</b>	<b>Match the following:</b>		<b>(5 x 1 = 5)</b>
a)	Trial Balance	i) Factory Overhead	K2 CO1
b)	Bank Loan	ii) Measures Profitability	K2 CO1
c)	Indirect Wages	iii) Variable Expense	K2 CO1
d)	Return on Investment	iv) Arithmetical Accuracy	K2 CO1
e)	Direct Expenses	v) Liability	K2 CO1
<b>4.</b>	<b>Multiple Choice Questions:</b>		<b>(5 x 1 = 5)</b>
a)	Accounting Concepts are based on: (i) Certain Assumptions; (ii) Certain Facts & Figures (iii) Certain Accounting Records; (iv) Government Guidelines	K2	CO1
b)	Financial position of the business is ascertained by preparing: (i) Trading A/c; (ii) Cash A/c; (iii) P & L A/c; (iv) Balance Sheet.	K2	CO1
c)	Basic Objective of Cost Accounting is: (i) Tax Payment; (ii) Cost Audit; (iii) Cost Ascertainment; (iv) Profit Analysis.	K2	CO1
d)	Liquid Ratio is also known as: (i) Quick Ratio; (ii) Current Ratio; (iii) Asset Ratio; (iv) Stock Ratio	K2	CO1
e)	Fixed Cost is also known as: (i) Direct Cost; (ii) Prime Cost; (iii) Total Cost; (iv) Period Cost	K2	CO1

## SECTION B

**Answer any TWO Questions**

**(2 x 10 = 20)**

5.	Choose any five accounting concepts and illustrate them.		K3 CO2										
6.	Prepare Trading and Profit & Loss from the following information:	K3	CO2										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Bad Debts – Rs.3,000</td> <td style="width: 50%;">Sales Return - Rs.6,000</td> </tr> <tr> <td>Trade Expenses - Rs.2,500</td> <td>Opening Stock - Rs.75,500</td> </tr> <tr> <td>Printing - Rs.5,000</td> <td>Purchase - Rs.75,000</td> </tr> <tr> <td>Rent Paid – Rs3,450</td> <td>Provision For Bad Debts - Rs.1,500</td> </tr> <tr> <td>Freight Inward - Rs.2,250</td> <td>Return Outwards - Rs.4,500</td> </tr> </table>	Bad Debts – Rs.3,000	Sales Return - Rs.6,000	Trade Expenses - Rs.2,500	Opening Stock - Rs.75,500	Printing - Rs.5,000	Purchase - Rs.75,000	Rent Paid – Rs3,450	Provision For Bad Debts - Rs.1,500	Freight Inward - Rs.2,250	Return Outwards - Rs.4,500		
Bad Debts – Rs.3,000	Sales Return - Rs.6,000												
Trade Expenses - Rs.2,500	Opening Stock - Rs.75,500												
Printing - Rs.5,000	Purchase - Rs.75,000												
Rent Paid – Rs3,450	Provision For Bad Debts - Rs.1,500												
Freight Inward - Rs.2,250	Return Outwards - Rs.4,500												

Discount Earned - Rs.3,500	Interest Received - Rs.11,260
Sales - Rs.1,00,000	Closing Stock - Rs.35,000

7. From the following data relating to the manufacture of a product during April 2021, prepare the Cost Sheet:

Raw Materials – Rs.1,80,000	Manager Salary - Rs.15,000
Direct Wages - Rs.90,000	Selling Overhead - Rs.5 per unit
Machine hours worked – 10,000	Units Produced = 4,000 Units
Machine hour rate - Rs.8 per hour	Units Sold = 3,600 Units
Office Expenses - Rs.20,000	Selling Price Per Unit = Rs.125

8. From the following information calculate a) Current Ratio; & b) Liquid Ratio:

Debtors – Rs.1,00,000	Bills Payable - Rs.20,000
Prepaid Expenses - Rs.10,000	Creditors - Rs.40,000
Cash in Hand - Rs.30,000	Outstanding Salary - Rs.40,000
Short-Term Investment - Rs.20,000	Debentures - Rs.1,00,000
Machinery - Rs.7,000	Stock - Rs.40,000

### SECTION C

**Answer any TWO Questions**

**(2 x 10 = 20)**

9. Pass Journal entries for the following transactions:

2 <sup>nd</sup> April	Commenced Business with cash of Rs.2,75,000
4 <sup>th</sup> April	Opened a current account with ICICI Bank with Rs.2,25,000
8 <sup>th</sup> April	Purchased Plant & Machinery from Hindustan Machine Tools for Rs.3,50,000
10 <sup>th</sup> April	Purchased goods worth Rs.75,000 from M/s. Ram Traders
12 <sup>th</sup> April	Paid for Freight Charges of Rs.5,000
13 <sup>th</sup> April	Sold goods to M/s. Sulaiman Traders for Rs.88,000
17 <sup>th</sup> April	Goods returned to M/s. Ram Traders worth Rs.5,000
19 <sup>th</sup> April	Purchased Stationery worth Rs.7,500 with Cash
25 <sup>th</sup> April	Paid to M/s. Ram Traders Rs. 50,000 by Cheque
30 <sup>th</sup> April	Paid salaries to employees via cheque Rs.65,000

10. Prepare the Cost Sheet from the following information:

Factory Manager Salary – Rs.6,500	Purchases – Rs.1,85,000
Office Manager Salary – Rs.12,600	Traveling Expenses – Rs.2,100
Carriage Outward – Rs.4,300	Salesman Salary – Rs.7,700
Carriage Inward – Rs.7,150	Productive Wages – Rs.1,26,000
Machinery Repairs – Rs.4,450	Machinery Depreciation – Rs.6,500
Factory Rent – Rs.8,500	Furniture Depreciation – Rs.300
Office Rent – Rs.2,000	Gas – Factory = Rs.1,200
Sales – Rs.4,61,000	Gas – Office = Rs.400
Opening Stock of Material Rs.48,000	Salary (1/4 Office & 3/4 factory) 10,000
Closing Stock of Material Rs.62,800	General Expenses – Rs.3,400

11. From the following information, compute:

a. Gross Profit Ratio	b. Operating Ratio
c. Net Profit Ratio	d. Stock Turnover Ratio

Opening Stock – Rs.76,250	Sales – Rs.5,00,000
Purchases – Rs.3,15,250	Closing Stock – Rs.98,500
Carriage Inward – Rs.2,000	Administration Expense – Rs.1,01,000
Wages – Rs.5,000	Selling Expense – Rs.12,000
Non-Operating Expense – Rs.2,000	Finance Expense – Rs.7,000

Non-Operating Income – Rs.5,000

12. From the following information find out:

- a. Profit Volume Ratio;
- b. Sales
- c. Margin of Safety

Fixed Cost – Rs.40,000      Profit – Rs.20,000      Break Even Sales – Rs.80,000

K4

CO3

**SECTION D**

**Answer any ONE Question**

**(1 x 20 = 20)**

13. From the following Trial Balance of Gopinath Traders Prepare Final Accounts:

K5

CO4

Name of the Account	Dr.	Cr.
Capital		27,000
Drawings	4,260	
Furniture	5,700	
Opening Stock	8,760	
Purchases & Sales	62,172	71,436
Returns	1,260	1,746
Salaries	2,640	
Rent	720	
Carriage	1,500	
Rent & Taxes	1,200	
Commission Received		750
Bank Overdraft		1,200
Bad Debts	1,032	
Debtors	19,200	
Cash in Hand	288	
Creditors		6,000
Provision for Bad Debts		600
Bills Receivable	1,440	
Bills Payable		1,080
Discount		360
	1,10,172	1,10,172

Adjustments:

- (i) Closing Stock – Rs. 10,200;
- (ii) Provide doubtful debts @ 5% on Debtors & for discount on creditors @ 2%;
- (iii) Rent due was Rs.160;
- (iv) Prepaid taxes were Rs.320;
- (v) Depreciate furniture at 10% p.a.,
- (vi) Commission received in advance is Rs.120
- (vii) Interest on Capital @ 5% p.a.,

14. The Bangalore Ltd., supplies you with the following information and you are required to prepare Cost Sheet:

K5

CO4

Particulars	Amount
Opening Stock of Raw Materials	75,000
Closing Stock of Raw Materials	91,500
Direct Wages	52,500
Indirect Wages	2,750
Sales	2,00,000
Opening Stock of Work-In-Progress	28,000
Closing Stock of Work-In-Progress	35,000
Purchase of Raw Materials	66,000
Factory Rent	15,000

Depreciation on Plant & Machinery	3,500
Expenses on Purchases	1,500
Carriage Outwards	2,500
Advertising	3,500
Office Rent	2,500
Salesmen Wages & Commission	6,500
Opening Stock of Finished Goods	54,000
Closing Stock of Finished Goods	31,000

**SECTION E**

**Answer any ONE Question**

**(1 x 20 = 20)**

15. The following information is available in respect of Dish TV Ltd., K6 CO5

Particulars	2015	2016
Sales (Rs.10 Per Unit)	2,00,000	2,50,000
Profit	30,000	50,000

Determine:

- |                           |   |
|---------------------------|---|
| a) Profit Volume Ratio;   | d) Sales required to earn a profit of Rs.60,000 |
| b) Break Even Point;      | e) Profit when sales are Rs.1,00,000            |
| c) Variable Cost for 2015 | f) Margin of Safety when profit is Rs.80,000    |

16. From the balance sheet given, determine the following ratios: K6 CO5

- a) Current Ratio;  
b) Quick Ratio;  
c) Debt Equity Ratio;  
d) Proprietary Ratio;  
e) Current Assets to Fixed Assets.

Liabilities	Amount	Assets	Amount
Share Capital	2,00,000	Land & Buildings	1,40,000
Profit & Loss A/c	30,000	Plant & Machinery	3,50,000
General Reserve	40,000	Stock	2,00,000
12% Debentures	4,20,000	Debtors	1,00,000
Creditors	1,00,000	Bills Receivable	10,000
Bills Payable	50,000	Bank Balance	40,000
	8,40,000		8,40,000

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