



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G.. DEGREE EXAMINATION – ALLIED
FIRST SEMESTER – NOVEMBER 2022
UCO 1301 – BUSINESS ACCOUNTING

Date: 01-12-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A

Answer ALL the Questions

(10 x 2 =20 Marks)

1. Define Accounting.
2. List out any two differences between journal and ledger.
3. State any two uses of final accounts.
4. Explain outstanding expenses and prepaid expenses.
5. List out the various elements of costs.
6. What is meant by cost of production?
7. List out any two advantages of Ratio Analysis.
8. Write down the formula for the calculation of stock turnover ratio.
9. How do you arrive profit in marginal costing.
10. From the following information, calculate the amount of contribution and Profit volume ratio:
Fixed cost Rs. 3,50,000
Variable cost per unit Rs. 5
Selling price per unit Rs. 10
Output level 1,00,000 units

SECTION B

Answer any FOUR Questions

(4 x 10 = 40 Marks)

- 11 Record the following transactions during the month of march 2019 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
31	Paid electricity bill	400

- 12 Prepare Trial balance from the following information:

	Rs		Rs
Opening stock	10,600	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
Trade expenses	580	Discount received	400
Rent	200	Capital	7,000
Plant	2,600	Creditors	830
Repairs	460	Loan (Cr)	1,400
Cash in hand	200		

- 13 Draw the format of Trading a/c ,Profit & Loss account and Balance sheet.
 14 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 Stationary	200

- 15 From the following particulars pertaining to assets and liabilities of a company 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	5,00,000	Land and Building	6,00,000
2,000 8% Preference shares	2,00,000	Plant and machinery	5,00,000
4,000 9% Debentures	4,00,000	Stock	2,40,000
Reserves	3,00,000	Debtors	2,00,000
Creditors	1,50,000	Cash and bank	55,000
Bank overdraft	50,000	Pre-paid expenses	5,000
Total	16,00,000	Total	16,00,000

- 16 You are given the following data for the year 2019 of a XYZ Ltd.

Variable Cost	Rs.6,00,000
Fixed Cost	Rs.3,00,000
Net Profit	Rs.1,00,000
Sales	Rs.10,00,000

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.

17 From the following particulars, Calculate B.E.P

Sales Rs 1,00,000

Variable cost Rs 60,000

Fixed overheads Rs 15,000

Also calculate New B.E.P if

- a) Selling price is reduced by 10%
- b) Variable cost increase by 10%
- c) Fixed overhead increase by 10%

SECTION C

Answer any TWO Questions

(2 x 20 = 40 Marks)

18. Prepare Trading and Profit and Loss account for the year ended December 31st 2020 and a balance sheet as that date from the following Trial Balance of Mr.Aravind .

	Rs		Rs
Drawings	45,000	Capital	1,60,000
Goodwill	90,000	Bills payable	35,000
Buildings	60,000	Creditors	70,000
Machinery	40,000	Purchase returns	2,650
Bills receivable	6,000	Sales	2,18,000
Opening stock	40,000		
Purchases	51,000		
Wages	26,000		
Carriage outwards	500		
Carriage inwards	1,000		
Salaries	35,000		
Rent	3,000		
Discount	1,100		
Repairs	2,300		
Bank	25,000		
Cash	1,600		
Debtors	45,000		
Bad debts	1,200		
Sales return	2,000		
Furniture	6,000		
Advertisements	3,500		
General expenses	450		
	4,85,650		4,85,650

Adjustments:

- i) Closing stock was Rs 35,000
- ii) Depreciation on machinery and furniture by 10%
- iii) Outstanding wages Rs 1,500
- iv) Prepaid advertisements Rs 500
- v) Create 5% on debtors for bad debts as provision

19. The following Details have been obtained from the cost records of Rishon Ltd.

	Rs
Stock of Raw Material on 1 st December 2018	75,000
Stock of Raw Material on 31 st December 2018	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work in progress on 1 st December 2018	28,000
Work in progress on 31 st December 2018	35,000
Purchase of Raw Materials	66,000
Factory Rent, Rates and Power	15,000
Depreciation of plant and machinery	3,500
Carriage outwards	1,500
Advertising	2,500
Office rent and taxes	3,500
Travelers wages and commission	6,500
Stock of finished goods on 1 st December 2018	54,000
Stock of finished goods on 31 st December 2018	31,000

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

20 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

21 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:

- P/V ratio
- Break-even point (B.E.P.)
- Sales required to earn a profit of Rs.40,000
- Fixed expenses
- Profit when sales are Rs.1,20,000.

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