

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: MBA LSCM

Programme: Accounting in LSCM Sector

Time: 03 hrs.

Instructions: Scientific Calculator is allowed

Semester: I

Code:FINC 7003

Max. Marks: 100

SECTION A

S. No.	Multiple Choice Questions	Marks	CO
Q 1	The goods destroyed by fire are Rs. 1, 00,000. But Insurance Company gives the claim of Rs. 60,000 only. The amount to be shown in Profit and Loss Account as loss is: a. Rs. 1,00,000 b. Rs. 60,000 c. Rs. 40,000 d. Rs. 80,000	1	2
Q 2	Accrual Income are shown in the financial statements as per the concept of a. Dual Aspect Concept b. Materiality c. Going Concern Concept d. Accrual Concept	1	2
	Differentiate the following		
Q 3	Absolute Tonne Kilometer and Commercial Tonne Kilometer	1	4
Q4	CoGS and COP	1	5
Q 5	Depreciation and Depletion	1	3
Q 6	SYD method and Double Declining Balance Method of Depreciation	1	1
Q 7	Notional Cost and Opportunity Cost	1	1
Q 8	Profit & Loss Account and Profit and Loss Appropriation Account	1	2
Q 9	Accounting Period and Verifiable Evidence Concept	1	4
	Fill in the Blanks		
Q 10	Cost is defined as	1	5
Q 11	Overhead is defined as	1	1
Q 12	Exception to Depreciation as per AS 6 are	1	2

Q 13	Cost Center is defined as.....	1	3
Q 14	Margin of Safety is calculated by	1	2
Q 15	Key Factor is defined as	1	1
Q 16	Content of Transport Log Sheet are	1	5
Q 17	Sunk Cost is	1	2
Q 18	The major considerations governing the selection of accounting policy as per AS-1 are.....	1	3
Q 19	Transfer to Reserve Rules as	1	4
Q 20	Types of Cost Center are.....	1	5

SECTION B

Q 21	<p>From the following data, Calculate the value of Inventory on 31st March 2018 by LIFO & FIFO</p> <p>Method</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3">2018</th> </tr> </thead> <tbody> <tr> <td>1st Jan</td> <td>Opening Stock</td> <td>300 pieces @ Rs. 2 each</td> </tr> <tr> <td>4th Jan</td> <td>Purchases</td> <td>90 pieces @ Rs. 3.20 each</td> </tr> <tr> <td>10th Jan</td> <td>Purchases</td> <td>180 pieces @ Rs. 3.40 each</td> </tr> <tr> <td>20th Jan</td> <td>Purchases</td> <td>190 pieces @ Rs. 3.50 each</td> </tr> <tr> <td>2nd Jan</td> <td>Issues</td> <td>100 pieces</td> </tr> <tr> <td>7th Jan</td> <td>Issues</td> <td>120 pieces</td> </tr> <tr> <td>12th Jan</td> <td>Issues</td> <td>210 pieces</td> </tr> <tr> <td>2nd Feb</td> <td>Purchases</td> <td>100 pieces@ Rs. 3 each</td> </tr> <tr> <td>8th Feb</td> <td>Purchases</td> <td>50 pieces@ Rs. 3.10 each</td> </tr> <tr> <td>15th Feb</td> <td>Issues</td> <td>70 pieces</td> </tr> </tbody> </table>	2018			1st Jan	Opening Stock	300 pieces @ Rs. 2 each	4 th Jan	Purchases	90 pieces @ Rs. 3.20 each	10 th Jan	Purchases	180 pieces @ Rs. 3.40 each	20 th Jan	Purchases	190 pieces @ Rs. 3.50 each	2 nd Jan	Issues	100 pieces	7 th Jan	Issues	120 pieces	12 th Jan	Issues	210 pieces	2 nd Feb	Purchases	100 pieces@ Rs. 3 each	8 th Feb	Purchases	50 pieces@ Rs. 3.10 each	15 th Feb	Issues	70 pieces	5	4
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Q 22	<p>Explain the Following accounting Concepts with example:</p> <ul style="list-style-type: none"> a. Accrual Concept b. Conservatism Concept c. Dual Aspect Concept d. Materiality Concept 	5	4
Q 23	Briefly Discuss the AS 6 with Group Method, Item by Item Method, Aggregate Method	5	3
Q 24	<p>LTC company purchases on 1st June 2016, a second hand machinery for Rs. 2,00,000 and immediately spends Rs. 70,000 on its overhauling (Scrap Value 50000, Life 5 years). On 31st August in the same year additional machinery costing Rs. 7,00,000 (Scrap Value 1,00,000, Life 10 years) is purchased. On 1st July 2017, the plant acquired on 1st June 2016 (1/4 the of the same) become obsolete is sold off for Rs. 20,000. On the same date fresh machinery is purchased at a cost of Rs. 4,00,000 (Scrap Value 60,000 Life 5 years)</p> <p>From April 2016 to March 2017-company follows Straight Line Method, From, April 2017 to March 2018- Depreciation is provided at the rate of 10% per annum on Written Down Value, April 2018 to March 2019- Company follows SYD Method</p> <p>Show the Machinery Account from April 2016 to March 2019</p>	5	4
SECTION-C			
Q 25	<p>Raj Limited manufactures 3 products X, Y, Z. The unit selling prices of these products are Rs. 100, Rs. 160, Rs. 75 respectively. The corresponding unit variable costs are Rs. 50, Rs. 80, Rs. 30 respectively. The proportions (Quantity Wise) in which these products are manufactured and sold are 20%, 30%, 50% respectively. Total Fixed costs are Rs. 14,80,000</p> <p>Calculate the following:</p> <ol style="list-style-type: none"> 1. Overall Break Even Quantity 2. Product wise Break up of above Break Even Quantity 3. P/V Ratio of each Product 	10	3

Q 26	<p>Mr Mahesh runs a Auto Service at Indore. He furnishes you the following data and wants you to calculate the Operating Cost per running Kilometer.</p> <table border="1" data-bbox="277 405 1317 1367"> <tr> <td>Cost Of Vehicle</td> <td>Rs. 5,00,000</td> </tr> <tr> <td>Road Licence</td> <td>Rs. 10,000 p.a.</td> </tr> <tr> <td>Supervisor Salary</td> <td>Rs. 2,00,000 p.a.</td> </tr> <tr> <td>Driver's Wages per hour</td> <td>Rs. 200</td> </tr> <tr> <td>Cost of Fuel per litre</td> <td>Rs. 12</td> </tr> <tr> <td>Repair and Maintenance per km</td> <td>Rs.120</td> </tr> <tr> <td>Tyre Cost per km</td> <td>Rs. 20</td> </tr> <tr> <td>Garage Rent p.a.</td> <td>Rs.20,000</td> </tr> <tr> <td>Insurance</td> <td>Rs. 4,000</td> </tr> <tr> <td>Kilometers running per litre</td> <td>10</td> </tr> <tr> <td>Kilometers run during the year</td> <td>10,000</td> </tr> <tr> <td>Estimated life of Vehicle</td> <td>1,20,000 kms</td> </tr> <tr> <td>Charge interest @ 12% p.a. on the cost of vehicle</td> <td></td> </tr> <tr> <td>The vehicle runs 60 kms per hour on an average</td> <td></td> </tr> </table>	Cost Of Vehicle	Rs. 5,00,000	Road Licence	Rs. 10,000 p.a.	Supervisor Salary	Rs. 2,00,000 p.a.	Driver's Wages per hour	Rs. 200	Cost of Fuel per litre	Rs. 12	Repair and Maintenance per km	Rs.120	Tyre Cost per km	Rs. 20	Garage Rent p.a.	Rs.20,000	Insurance	Rs. 4,000	Kilometers running per litre	10	Kilometers run during the year	10,000	Estimated life of Vehicle	1,20,000 kms	Charge interest @ 12% p.a. on the cost of vehicle		The vehicle runs 60 kms per hour on an average		10	5
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Q 27	<p>Following balances appear in the books of LMT Limited as on 1st April 2018</p> <p>Assets Cash Rs. 20,000; Cash at Bank Rs. 27,000; Stock Rs. 50,000; Furniture Rs. 20,000; Building Rs 20,000, Debtors: X Rs. 20,000; Y Rs. 30,000; Z Rs. 44,000</p> <p>Liabilities: Creditors- M Rs. 10,000; N Rs. 14,000</p>	10	5																												

Give the Journal Entries for the following transactions in the books of LMT Limited

2018		Rs
June 1	Loan from Bank	6,00,000
June 2	Bought goods of the list price of Rs. 80,000 from Nupur Traders less 20% trade discount and 3% cash discount and 60% amount is paid immediately	
June 4	Received a Cheque from X in full settlement and deposited in to the bank	18000
June 5	Purchased goods from Kailash of the list price of Rs. 70,000 at 10% trade discount and paid him by Cheque	
June 6	Sold goods for cash and received a Cheque	70,000
June 6	Rent Paid	50,000
June 7	Deposited the above Cheque received on June 6 th in to the bank	
June 8	Mohan deposited in to our bank account	8,000
June 9	Paid Income Tax	19,000
June 10	Received a Cheque from Y and sent to the bank	20,000
	Discount allowed	10,000
June 12	Withdrew from bank for office use	12,000
	For private use	7,500
June 14	Sent a Cheque to M in full settlement of his account	9,800
June 14	Goods given as Charity	70,000
June 15	Cheque of X returned by bank as dishonored	
June 16	Z was declared insolvent and 70 paise in a rupee could be recovered from his estate	
June 17	Commission Received	10,000
	Paid Salary be Cheque	90,000

		Paid for Selling Expenses by Cheque	10,000		
June 18		Bad Debts	80,000		
OR					
Briefly discuss Log Sheet , Operating Cost sheet and Units of Cost in Transport Costing with example?					

SECTION-D

Q 28 From the following adjustments and with the help of Trial Balance prepare a Trading, Profit & Loss and Balance Sheet as on 31st March 2018:

Dr. Balances	Amount (Rs.)	Cr. Balances	Amount (Rs.)
Building	30,000	Capital	25,000
Furniture	2,640	Return Outward	1,600
Scooter	4,000	Sales	56,040
Return Inward	2,300	Bad Debts Provision	700
Stock on 1 st April 2017	8,000	Bank Loan	5,000
Purchases	33,800	Commission	900
Bad Debts	300	Creditors	8,000
Carriage inward	700		
General Expenses	1200		
Interest on Bank Loan	300		
Insurance and Taxes	2,000		
Scooter Expenses	2,600		
Salaries	4,400		

15

4

Cash in Hand	2,000		
Debtors	3,000		
	97,240		97,240

Adjustments:

1. Stock on 31st March 2018 was valued at Rs. 4340
2. Commission include Rs. 300 being commission received in advance
3. Salaries have been paid for 11 months
4. Bank Loan have been taken at 10% p.a interest
5. Depreciate building by 5% and scooter by 15%
6. Scooter is used for business as well as private purposes equally
7. Write off Rs. 200 as further bad debts and maintain bad debts provision at 5 % on debtors.

You are required to prepare the Final Accounts for the year ending 31st March 2018 taking in to account the above mentioned adjustments

Q 29

Prepare Cost Sheet and calculate the amount of Profit:

	Rs.
Opening Stock- Raw Material	5000
Opening Stock-Finished Goods	4000
Closing Stock- Raw Material	4000
Closing Stock- Finished Goods	5000
Raw Material Purchased	50000
Wages Paid to Laborers	20000
Direct Expenses	2000
Rent- Factory	5000

15

5

	Power	2400		
	Factory Heating	2000		
	Factory Insurance	1000		
	R and D Expenses	500		
	Sale of Wastage of Material	200		
	Office Salaries	4000		
	Office Stationary	200		
	Salary of salesman	2000		
	Commission of Travelling Agents	1000		
	Sales	1,00,000		