


<b>Name:</b>	
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2018**

**Course: BA (H) Energy Economics**

**Semester: III**

**Programme: Business Accounting**

**CC: FINC 1001**

**Time: 03 hrs.**

**Max. Marks: 100**

**Instructions:**

**SECTION A**

S. No.	Attempt all Questions	Marks	CO
	Select the most appropriate answer from the following.		
Q1	Current ratio 2.5; working capital Rs 60,000. What is current assets a. 40,000 b. 1,10,000 c. 50,000 d. 100,000	2	1
Q2	Accounting is in: a. Written b. Oral c. Can be either d. None of these	2	1
Q3	Wages paid to worker "A" should be a. Debited to Wages account b. Debited to A account c. None of them d. All of the above	2	1
Q4	Which of following is revenue expenditure a. Machinery purchased b Wage paid c. Heavy advertisement d. Freight paid for purchase of machinery.	2	1
Q5	Both assets and owner's equity (capital) would be increased by: a. proprietor's withdrawals b. purchasing a building on credit c. retained earning d. none of the above	2	1

Q6	While putting the value or price of an entity in financial records the lowest price is recorded not the current price or current market value. This is known as  a. Business Entity Concept b. Conservatism c. Cost Concept d. Money Measurement Concept	2	1
Q7	Systematic recording of business transactions in books of account is  a. Auditing b. Book Keeping c. Financial Accounting d. Balance Sheet	2	1
Q8	Prepaid salary account  a. Personal b. Real c. Nominal d. None of the above	2	1
Q9	Trade discount is  a. Which is allowed at the time of receiving the payment. b. Which is allowed at the time of sale of goods. c. Which is allowed both at the time of receiving payment and sale of goods. d. Allowed in all of the above.	2	1
Q10	Which of the following should be charged in the Profit and Loss Account?  a. Direct materials b. Work in progress c. Office rent d. Carriage on raw materials	2	1

**SECTION B**

	Short Answer Questions		
Q 1	Distinguish between revenue and capital expenditure. State examples to clarify the differences.	5	2
Q 2	Explain the importance of Liquidity Ratio. Why Quick ratio is considered to be more dependable than current ratio? Specify.	5	2 & 3
Q 3	Distinguish between straight line method and written down value method for charging	5	1 & 2
Q 4	Explain common size balance sheet.	5	1

**SECTION-C**

	<b>Descriptive Type Questions (Attempt any two)</b>		
Q 1	Explain the importance of creating reserve and provisions. Also explain how are they different from each other.	<b>15</b>	<b>2 &amp; 3</b>
Q 2	What do you mean by Cash Flow statement? How it is prepared? Discuss its main uses.	<b>15</b>	<b>3 &amp; 4</b>
Q 3	<p>Compute: a) Sales b) Sundry Debtors c) Closing Stock d) Sundry Creditors from the following information.</p> <p>Debtors Velocity 3 months</p> <p>Stock Velocity 8 months</p> <p>Creditors Velocity 2 months</p> <p>Gross Profit Ratio 25 %</p> <p>Gross Profit for the year Rs 2,00,000.</p>	<b>15</b>	<b>3 &amp; 4</b>

**SECTION-D**

	Case Study																				
Q 1	<p>From the following balances extracted from the books of Piramal, prepare Trading and Profit and Loss Account for the year ended 31 st March 2016 and a Balance Sheet as on the date after taking into consideration the adjustments given below.</p> <p><b>Trading Account 5 Marks Profit and Loss Account 10 Marks Balance Sheet 15 Marks.</b></p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Particulars</th> <th>Dr Amount (Rs)</th> <th>Cr Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>Rajan's Capital</td> <td></td> <td>2,90,000</td> </tr> <tr> <td>Rajan's Drawings</td> <td>7,600</td> <td></td> </tr> <tr> <td>Purchases &amp; Sales</td> <td>89,000</td> <td>1,50,000</td> </tr> <tr> <td>Sales &amp; Purchase Return</td> <td>2,800</td> <td>4,500</td> </tr> <tr> <td>Stock (As on 1 April2005)</td> <td>12,000</td> <td></td> </tr> </tbody> </table>	Particulars	Dr Amount (Rs)	Cr Amount (Rs)	Rajan's Capital		2,90,000	Rajan's Drawings	7,600		Purchases & Sales	89,000	1,50,000	Sales & Purchase Return	2,800	4,500	Stock (As on 1 April2005)	12,000		<b>30</b>	<b>3 &amp; 4</b>
Particulars	Dr Amount (Rs)	Cr Amount (Rs)																			
Rajan's Capital		2,90,000																			
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Sales & Purchase Return	2,800	4,500																			
Stock (As on 1 April2005)	12,000																				

Wages	8000	
Building	2,20,000	
Freight & Carriage Inward	20,000	
Trade Expense	2,000	
Advertisement	2,400	
Interest Received		3,500
Taxes & Insurance	1,300	
Debtors & Creditors	65,000	12,000
Bills Rev & Bills Pay	15,000	7,000
Cash at Bank	12,000	
Cash in Hand	1,900	
Salaries	8,000	
	4,67,000	4,67,000

Adjustments:

- a) Stock on 31 March, 2006 was valued at 15,000
- b) Insurance was Prepaid to the extent of Rs 400
- c) Outstanding Liabilities were:  
Salaries Rs 2,000  
Taxes Rs 1,300
- d) Depreciate Building at 2% per annum

