



**UNIVERSITY OF PETROLEUM & ENERGY STUDIES  
DEHRADUN**

**End Semester Examination – December, 2017**

**Program/course: BBA – LLB CL/ Sec A&B**

**Subject: Business Accounting**

**Code : CLNL 1007**

**No. of page/s: 4**

**Semester – I**

**Max. Marks: 100**

**Duration : 3 Hrs.**

---

**Section - A 15 x 2 = 30 Marks**

1. Sub division of the journals into various books for recording transactions of similar nature are called
  - a) journal proper
  - b) subsidiary books
  - c) Cash book
  
2. Purchase of machinery is recorded in
  - a) sales book
  - b) journal proper
  - c) purchases book
  
3. The balance in the petty cash book is
  - a) an asset
  - b) a liability
  - c) an income
  
4. On Jan 1st 2002, Rs.1,000 given to petty cashier. He has spent Rs.860 during the month of January. On Feb 1st to make the Imprest he will receive cheque for Rs.\_\_\_\_\_.
  - a) Rs. 1,000
  - b) Rs. 860
  - c) Rs. 1860
  
5. Suspense account having debit balance will be shown on the \_\_\_\_\_ side of balance sheet.
  - a) Assets
  - b) credit
  - c) liabilities
  
6. Wages paid to workers for the installation of a new Machinery should be debited to:
  - a) Wages Account
  - b) Factory Expenses Account
  - c) Machinery Account

7. Direct expenses appears in the debit side of the \_\_\_\_\_ account  
a) Trading   b) Profit/ Loss   c) manufacturing
8. Net profit is added to  
a) Capital   b) drawings   c) gross profit
9. Balance sheet is a  
a) Statement   b) account   c) ledger
10. Prepaid expenses are shown on the \_\_\_\_\_ side of the balance sheet  
a) debit   b) asset   c) liabilities
11. Outstanding interest on loan borrowed is to be added to  
a) Asset A/c   b) Income A/c   c) Loan A/c
12. Which method of depreciation is calculated on the original cost of assets  
a) Written down value   b) Straight line   c) sinking fund
13. Under insurance policy method, cash is paid by way of \_\_\_\_\_ every year.  
a) Interest   b) Premium   c) depreciation
14. The term depletion is used for  
a) Intangible assets   b) Fixed assets   c) Natural resources
15. Total amount of depreciation provided on the diminishing balance method at the rate of 10% p.a. on Rs.10,000 for first three years will be  
a) Rs. 3000   b) Rs. 2,710   c) 7000

**Section - B 2 x 10 = 20 Marks**

1. Draw the format of petty cash book and explain its columns in analytical PCB?
2. Explain brief about need and causes of depreciation?

**Section - B 2 x 25 = 50 Marks**

1. The following information has extracted from the books of Mr. Vishnu as on 31.3.2009.  
(25 marks)

- |   |                            |
|---|----------------------------|
| a) Buildings 30,000                         | k) Sundry Debtors 30,000   |
| b) Machinery 31,400                         | l) General Expenses 1,600  |
| c) Capital 40,000                           | m) Cash at Bank 9,400      |
| d) Purchase returns 2,000                   | n) Sales 2,80,000          |
| e) Furniture 2,000                          | o) Rates and Taxes 1,200   |
| f) Motor Car 16,000                         | p) Discount received 1,000 |
| g) Sundry Creditors 9,600                   | q) Bad Debts 400           |
| h) Purchases 1,88,000                       | r) Insurance premium 800   |
| i) Sales returns 1,000                      | s) Discount allowed 1,400  |
| j) Provision for bad and doubtful debts 600 | t) stock 20,000            |

**Adjustments:**

- i. Outstanding rates and taxes Rs.1,600.
- ii. Insurance Premium Prepaid Rs.200.
- iii. Further bad debts of Rs 100 and Maintain Provision for bad and doubtful debts at 5% on debtors.
- iv. Depreciate Motor car by 10%., Furniture by 4% and Buildings by 3%.
- v. Stock on 31.3.2009 Rs.20,000.

Prepare Trial balance, Trading account, P/L and Balance sheet.

2. Ganesh & Co. purchased Machinery worth Rs.3,00,000 on 1st October 2000. They spent Rs.20,000 on its erection. End of 3<sup>rd</sup> year machinery sold for Rs 2,00,000. The firm writes off depreciation at the rate of 10% on the original cost every year. The books are closed on 31<sup>st</sup> March of every year.

Prepare Journal, Machinery account and Depreciation account for three years. **(15 mark)**

3. Journalize the following transactions:2004 **(10 marks)**

June 1 purchased goods worth Rs.300 from Vimal and Rs.500 from Kamal on credit.

June 3 Sale of goods worth Rs.1,000 to Balram and Rs.700 to Dhanram.

June 5 Cash of Rs.900 received from Ramasamy and Rs.800 from Krishnasmy.

June 7 Paid Rs.800 to Pradeep and Rs.500 to kuldeep.

June 9 Withdrawn from bank Rs.600 for office use and Rs.300 for personal use.