

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: MBA LSCM

Semester: I

Programme: Accounting in Logistics & Supply Chain Sector

Time: 03 hrs.

Course Code: FINC 7003

Max. Marks: 100

Instructions: Scientific Calculator is allowed

SECTION A

(10*2 Marks Each)

S. No.	Multiple Choice Questions	Marks	CO
Q 1	Record anticipated losses and ignore gains ensures the adherence to the Principle of a. Conservatism Concept b. Matching of Cost and Revenue Concept c. Realization Concept d. Money Measurement Concept	2	2
Q 2	Provision for Bad and Doubtful Debts are shown in the financial statements as per the concept of a. Conservatism b. Materiality c. Going Concern Concept d. Accrual Concept	2	3
Q 3	Gross profit is equal to a. Sales – Cost of goods sold b. Sales – Closing stock + Purchases c. Opening stock + Purchases – Closing stock d. Net profit – Expenses	2	1
Q4	A club paid subscription fees of Rs.1,400. Out of which Rs.200 is prepaid. In such case a. P&L a/c is debited with Rs.1,400 b. P&L a/c is debited with Rs.1,200 c. Rs.200 is shown as current asset d. Both (b) and (c) above	2	3
Q 5	Weight carried * Kilometer run for each section of the trip is used for a. Absolute Tonne Kilometer b. Commercial Tonne Kilometer c. Cost Per hours d. Both a & c above	2	4

Q 6	<p>The adjustment to be made for Income received in advance is</p> <p>a. Add Income to the respective Income and show it as an asset b. Deduct Income from respective Income and show it as an asset c. Add Income to the respective Income and show it as a liability d. Deduct Income from respective Income and show it as liability</p>	2	1
Q 7	<p>The fundamental assumptions as per AS-1 are.....</p> <p>a. Going Concern , Consistency and Accrual b. Accrual, Cost, Consistency c. Prudence, Accrual, Conservatism d. Matching Concept, Prudence, Cost</p>	2	2
Q 8	<p>Write off Intangible assets is known as</p> <p>a. Depletion b. Depreciation c. Dilapidation d. Amortization</p>	2	3
Q 9	<p>Machine is purchased for Rs.1,50,000 and it has an effective life of 5 years . The amount of depreciation as per SYD method is</p> <p>a. Rs. 20,000 b. Rs. 50,000 c. Rs. 45,000 d. Rs. 35,000</p>	2	3
Q 10	<p>Which of the following are current assets of a business?</p> <p>i. Income received in advance. ii. Stock. iii. Debtors. iv. Pre-paid expenses. v. Accrued income.</p> <p>a. Both (i) and (iv) above b. Both (ii) and (iii) above c. (i), (ii) and (iii) above d. (ii), (iii), (iv) and (v) above</p>	2	2

SECTION B (4 * 5 Marks Each)

Q 1	How Activity Ratios and Liquidity Ratios are used?	5	4														
Q 2	<p>On 1st July 2016, A company purchased a Plant for Rs. 2,00,000. Depreciation was provided at 10% per annum on straight-line method on 31st March every year. On Sep 30th 2017, additional plant was purchased for Rs. 5,00,000. On the same date, Plant purchased on July 2016 was sold for Rs. 50,000. On 30th Nov 2018, additional plant was purchased for Rs. 6,00,000.</p> <p>With Effect from 2017, the company decided to change the method of depreciation to diminishing balance method @15% p.a.</p> <p>Prepare plant account from 2016 to 2019 assuming books are closed on 31st March each year</p>	5	3														
Q 3	<p>Explain the Following accounting Concepts with example:</p> <ul style="list-style-type: none"> a. Revenue Realization Concept b. Dual Aspect Concept c. Depreciation Fund Method of Depreciation 	5	2														
Q 4	<p>Following data are given to you:</p> <table border="1" data-bbox="290 1064 850 1780"> <thead> <tr> <th></th> <th>Per unit Rs.</th> </tr> </thead> <tbody> <tr> <td>Selling Price</td> <td>100</td> </tr> <tr> <td>Direct Material Cost per unit</td> <td>27</td> </tr> <tr> <td>Direct Wages per unit</td> <td>20</td> </tr> <tr> <td>Fixed Overheads</td> <td>Rs. 95,000</td> </tr> <tr> <td>Variable Overheads</td> <td>50% of Direct Wages</td> </tr> <tr> <td>Trade Discount</td> <td>5%</td> </tr> </tbody> </table>		Per unit Rs.	Selling Price	100	Direct Material Cost per unit	27	Direct Wages per unit	20	Fixed Overheads	Rs. 95,000	Variable Overheads	50% of Direct Wages	Trade Discount	5%	5	3
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You are required to find out:

- (i) Profit Volume Ratio
- (ii) Variable Cost Ratio
- (iii) Break Even Sales
- (iv) Margin of Safety
- (v) Net Profit if sales are 10% and 20% above the break even volume
- (vi) Required sales to earn a profit of Rs. 44,000

OR

How Profit Volume Ratio, Sales at desired profit, Break Even Point , Margin of Safety are assessed?

SECTION-C

(3 * 10 Marks Each)

Q 5

Current Ratio	1.75
Liquid Ratio/Acid Test Ratio	1.25
Stock/Inventory Turnover Ratio	9 times
Gross Profit Ratio	25%
Debtor Collection Period	1.5 months
Reserves to Capital	0.2
Fixed Assets Turnover Ratio	1.2 times
Capital Gearing Ratio	0.6
Fixed Assets to Net worth	1.25
Sales for the year	Rs. 12,00,000

From the above, prepare the balance sheet with classification of items

OR

How Cost sheet is prepared considering opening Stock of Raw Material, opening Stock of Finished Goods, Closing Stock of Raw Material, Closing Stock of Finished Goods?

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3

Q 6

A transport service company is running 5 buses between 2 towns which are 50 kms apart. Seating Capacity of each bus is 50 passengers. The following particulars were obtained from their books for April 2019:

Wages of Drivers, conductors and cleaners Rs. 24,000

Salaries of office staff Rs. 10,000

Diesel oil and other oil Rs. 35,000

Repair and Maintenance Rs. 8,000

Taxation , insurance etc. Rs. 16,000

Depreciation Rs. 26,000

Interest and other expenses Rs. 20,000

Rs. 1,39,000

10

2

Actually passengers carried were 75% of the seating capacity. All buses ran on the all the days of the month. Each bus made one round trip per day

Find out cost per passenger kilometer.

Q 7 Give the Journal Entries for the following transactions in the books of Rakesh:

2019		Rs
March 1	Started Business with cash	90,000
March 2	Purchases goods from Tushar	40,000
March 3	Sold goods to Ramanujam	25,000
March 6	Ramanujam returned defective goods	5,000
March 8	Received cash from Ramanujam and discount allowed	14,600
March 9	Purchase goods from Geeta	80,000
March 10	Paid to Geeta in full settlement of his account after deduction 5% discount	
March 10	Paid Rent	5,000
March 15	Purchased goods for cash from Mohan for Rs. 6000 at 20% trade discount	
March 18	Purchased goods from Ayush for Rs. 10,000 at 20% trade discount	
March 18	Paid to Ayush Rs. 6850 in full settlement of his account	
March 22	Paid to Tushar Rs. 34,000 , Discount Received 6,000	
March 26	Paid wages- Rs. 2,000, Salaries- Rs. 8,000, and Advertisement Expenses- Rs. 6000, Trade Expenses- Rs. 4000	
March 31	Outstanding Salaries	8,000
March 31	Bad Debts	5,000
March 31	Deposit cash in to the Bank	20,000

10

4

SECTION-D**(2*15 Marks each)**Q 8 The following is the trial balance of Blue Dart Limited as at 31st March 2019:

	Rs.	Rs.
Stock (1 st April 2018)	1,86,420	
Manufacturing Wages	1,09,740	
Manufacturing Expenses	19,240	
Purchases and Sales	7,18,210	11,69,900
Machinery Repairs	8,610	
Carriage Inwards	4,910	
Carriage Outwards	9,260	
Advance Payment of Income Tax	14,290	
Bank Loan @18%		50,000
Interest on Loan	4,500	
Debtors and Creditors	1,64,400	92,220
Profit and Loss Account, 1 st April 2018		8,640
Bank Current Account	1,06,860	
Cash in Hand	1,920	
Leasehold Property	1,64,210	
Plant and Machinery	1,28,400	
Loose Tools	12,500	
Share Capital		4,00,000
Calls in Arrear	1,000	

15**5**

Rates and Electricity(Factory Rs, 14210, Office – Rs. 3400)	17,610	
Director Fees and Remuneration	12,000	
Office Salaries and Expenses	13,000	
Auditors Fees	1,250	
Office Furniture	5,000	
Commission	8,640	
Returns	12,640	9,810
Preliminary Expenses	6,000	
Transfer Fees		40

Read the Case and prepare Trading Account, Profit and Loss Account, Profit and Loss Appropriation and Balance Sheet taking in to consideration the following adjustments:

1. Write off 1/3rd Preliminary Expenses
2. Depreciation is to be provided for:
 - a. Plant and Machinery@15%
 - b. Office Furniture@10%
3. Manufacturing Wages Rs. 1890, Office Salaries- Rs. 1200 had accrued due.
4. Provide for Interest on Loan for 6 months
5. The stock was valued at Rs. 1,24,840 and Loose Tools for Rs. 10,000
6. Provide Rs. 8,500 on debtors for doubtful debts
7. Provide further Rs. 31,20 for discount on Debtors
8. Make a provision for Income Tax @50%
9. The Director recommended dividend @15% for the year ending 31st March 2019 after transferring 5% of net profits to General Reserve.

Q 9	How Operating, Investing and Financing Activities are calculated in Cash Flow Statements as per AS 3	15	4