

**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS**  
**PONDA – GOA**  
**B.C.A. (SEMESTER - I) SUPPLEMENTARY EXAMINATION, MAY/JUNE 2016**  
**BUSINESS ACCOUNTING**

DURATION : 2 HRS

MARKS: 50

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INSTRUCTIONS: 1) ALL QUESTIONS ARE COMPULSARY.  
2) FIGURES TO RIGHT INDICATE MARKS.  
3) USE OF CALCULATOR IS ALLOWED.

- Q.1.A) 1. What is trial balance?  
2. Define fixed assets. (5x2)  
3. Explain straight line method of depreciation.  
4. What do you understand by current ratio?  
5. What is authorised share capital?

- Q.2.A) M/s Akash Traders provides you the following information regarding their business transactions for the month of December 2015. (10)
- December
- 1<sup>st</sup> purchased goods worth `27000 from M/s Prakash and company and paid `25000.  
4<sup>th</sup> Paid rent of the building ` 3500.  
5<sup>th</sup> sold goods worth ` 30000.  
10<sup>th</sup> paid towards printing & stationary ` 2570.  
15<sup>th</sup> paid to Prakash & company `2000.  
20<sup>th</sup> sold goods worth ` 15000 to M/s Nisha traders and received ` 12000.  
25<sup>th</sup> received the balance amount of ` 3000 from M/s Nisha Traders.
- You are required to pass the journal entries for the above transactions and also prepare the following accounts.
- 1) Purchases account
  - 2) M/s Prakash and company account
  - 3) M/s Nisha traders account.

OR

- Q.2.B) M/s. Kale Industries Pvt. Ltd. Panaji-Goa, maintained an analytical petty cash book wherein all petty expenses are recorded. The petty cash book is closed on daily basis. (10)
- Following are the transactions for the month of March 2016.
- March 2016
- 1<sup>st</sup> paid ` 1500 towards purchases of raw material as per bill no 2234 to M/s Ojha & co/.  
3<sup>rd</sup> paid to Sharad `450 for hiring his taxi for a official visit to Mapusa and back as per bill no 123.  
5<sup>th</sup> paid wages to Kaushalya ` 1200 for the month of February 2016.  
5<sup>th</sup> paid to Pankaj agency ` 900 as per bill no 255 towards the purchase of stationery.  
7<sup>th</sup> Paid to Dr. Dev ` 1100 as per the bill no 754, towards medical check up of staff.  
15<sup>th</sup> paid to Bhosle restaurant ` 550, as per the bill no 195 towards providing snacks to the staff.

20<sup>th</sup> paid to Suvarna printers ` 800 as per the bill no 333, towards printing work.  
25<sup>th</sup> paid towards postage and telegram `200 as per the bill no 221.

You are required to prepare the necessary petty cash vouchers and prepare petty cash book for the month of March 2016.

(prepare vouchers only when bills are not available.)

All the above vouchers are entered in cash book folio no-771.

Q.3.A.) M/s. Kaveri traders Mumbai bought machinery on 1<sup>st</sup> April 2011 for `98000 and paid ` 2000 as installation charges. They decided to depreciate it @ 10% under straight line method. On 1<sup>st</sup> October 2014, a machinery of original cost 25000 was sold for ` 16000 and on the same date a new machinery was purchased for ` 20000.

Prepare a machinery A/c for all the four years. Accounting year ends on 31st March every year. (10)

**OR**

Q.3.B) Sharada Ltd furnishes you the following information: (10)

Opening balance of machinery on 1/1/2014 is ` 100000. On 1/4/2014, they purchased a new machinery for ` 50000.

On 1/5/2014, the machinery purchased on 1/1/2013 for ` 50000 was sold for ` 40000.

On 1/10/2014, machinery purchased on 1/4/2014, was sold for `47500.

They charged depreciation @ 10% p.a. under reducing balance method.

Prepare machinery account for the year ended 3/12/2014.

Q.4.A) Given is the extracts of Trial Balance of M/s. Arya Traders as on 31<sup>st</sup> March 2016 and you are required to prepare Profit & Loss A/c as per revised schedule of the Companies Act. (10)

Trial balance for the year ended 31/03/2016

Particulars	Dr.	Cr.
<u>Authorised Share Capital</u>		
6% Preference Share Capital		10,00,000/-
Equity Share Capital		15,00,000/-
<u>Subscribed Share Capital</u>		
6% Preference Share Capital		5,00,000/-
Equity Share Capital		10,00,000/-
General Reserves		15,000/-
Purchases	90,000/-	
Wages	7,000/-	
Rent, Rates & Taxes	9,000/-	
Salaries	20,000/-	
Laundry	1,000/-	
Sales		2,55,000/-
Electricity charges	3,900/-	
Carriage inward	2,100/-	
Carriage outward	1,900/-	
Sundry expenses	3,200/-	
Discount received		3,500/-

Miscellaneous receipts		10,500/-
Transfer fees		3,300/-
Opening stock of materials	45,000/-	
Commission received		2,500/-
8% Debentures		3,00,000/-
Interest on debentures	20,000/-	
Interest on Bank loan	4,500/-	
Freight	2,000/-	
Cash & Cash equivalents	55,000/-	

Additional information:

- 1) Closing Stock ` 25,000/-
- 2) Provide depreciation @ 5% on Building costing ` 2,00,000/- & @ 2.5% on Furniture costing ` 50,000/-.
- 3) Outstanding interest to be provided on debentures.
- 4) Provide Tax @ 10% on Net profit.

OR

Q.4.B) M/s Dilip Traders provides you the following information regarding their Balance sheets as on 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2015. (10)

Note no.	Particulars	Previous year <u>2014</u>	Current year <u>2015</u>
1.	Share Capital	3,35,000/-	3,90,000/-
2.	<u>Reserves &amp; Surplus</u>		
	General Reserve	90,000/-	99,000/-
	P & L A/c.	<u>52,000/-</u>	<u>39,000/-</u>
3.	<u>Trade Payable</u>		
	Creditors	66,400/-	70,200/-
	Bills Payable	<u>56,000/-</u>	<u>42,000/-</u>
4.	<u>Short term provisions</u>		
	Provision for taxes	28,000/-	30,000/-
5.	<u>Non current Assets</u>		
	Machinery	1,90,000/-	2,10,000/-
	Building	<u>1,52,000/-</u>	<u>1,05,000/-</u>
6.	Non current investments	95,000/-	90,000/-
7.	<u>Trade Receivable</u>		
	Bills receivables	44,800/-	76,000/-
	Debtors	57,000/-	49,000/-
8.	Cash	72,600/-	1,40,200/-
9.	Preliminary expenses	16,000/-	---

Additional information:

- 1) Provide depreciation on machinery @ 10% & Building @ 15%.
  - 2) Provision for taxation made during the year ` 15,000/-.
- You are required to prepare Cash flow statement.

Q.5.A) From the following information calculate. (10)

- 1) Gross Profit Ratio
- 2) Operating Ratio
- 3) Current Ratio
- 4) Debtors turnover Ratio
- 5) Stock Turnover Ratio

Income from operation

Sales – 12,00,000/-  
 Less: returns - 2,00,000/- = Net Sales 10,00,000/-

Change in inventory

Opening stock 3,50,000/- - closing stock 1,40,000/- = 2,10,000/-

Employee benefit scheme

Wages 10,000/-  
 Salaries 25,000/-

Other expenses

Office rent 5,000/-  
 Rent, Rates & Taxes 4,000/-  
 Travelling expenses 2,000/-  
 Advertising 10,000/-  
 Audit fees 2,500/-  
 Selling expenses 3,500/-  
 Purchases 1,50,000/-

Reserves & Surplus

General Reserve 25,000/-  
 P & L A/c 30,000/-

Trade Payable

Creditors 25,000/-  
 Bills Payable 4,000/-

Other Current liabilities

Bank over draft 45,000/-

Trade Receivable

Debtors 60,000/-  
 Bills Receivable 14,000/-

Other Current Assets

Prepaid expenses 15,000/-

OR

Q.5.B) Mohan & company is registered with an authorised capital of `10000000 divided in to 100000 shares of `100 each. Out of which they issued 70,000 shares for public subscription and received applications for 50,000 shares. All these shares were allotted.

The share amount is payable as follows:

On application ` 20/- , On share 1<sup>st</sup> Call ` 25/-  
 On allotment `30/- , On share final call ` 25/-

(10)

Directors made all the calls on shares. All the money was received except Final call money was not received on 2,000 shares. As a result the Directors forfeited these shares.

You are required to give the journal Entries.

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