

**Goa Vidyaprasarak mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND**  
**ECONOMICS, PONDA - GOA**  
**B.C.A (SEMESTER - I) SUPPLEMENTARY EXAMINATION**  
**MAY/JUNE 2017**  
**BUSINESS ACCOUNTING**

**Duration: 2 Hrs**

**Marks: 50**

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- Instructions:*
1. All questions are compulsory
  2. Figures to right indicate marks.
  3. Use of calculator is allowed.

**Q.1) Answer the following:** (2x5)

- a) What is accounting?
- b) Give any three examples of revenue expenditure.
- c) What is authorised share capital?
- d) What do you understand by ratio analysis?
- e) Give two points of difference between preference shares & equity shares.

**Q.2.A) From the following transactions you are required to pass journal entries and prepare the following ledger accounts.** (10)

1. Capital account
2. Mr. Krishna's account
3. Carriage inward account.

- March 1<sup>st</sup> - Started business with cash ` 25000/- , furniture ` 60000/-,  
Plant & Machinery ` 200000/-
- March 2<sup>nd</sup> - Paid for purchases ` 10000/-
- March 7<sup>th</sup> - Sold goods for cash ` 25000/-
- March 15<sup>th</sup> - Received commission ` 1200/-
- March 20<sup>th</sup> - Sold goods to Mr. Krishna worth ` 4000/- & received ` 3500/-  
only.
- March 21<sup>st</sup> - Paid towards carriage inward ` 1000/-
- March 25<sup>th</sup> - Given discount ` 150/-

**OR**

**Q.2.B) M/s. Keny Industries Pvt. Ltd. Margao, maintained an analytical petty cash book wherein all petty expenses are recorded. The petty cash book is closed on daily basis.**

Following are the transactions for the month of December 2016. You are required to prepare the necessary petty cash vouchers and prepare petty cash book. (10)

(No vouchers are prepared in case bills are available)

Petty cash book folio is 452.

December 2016

1<sup>st</sup> – Wages paid to sweeper ` 300/- for the month of November 2016.

2<sup>nd</sup> – Paid to Wagle & Co. ` 5500/- as per bill no. 2785 on account of purchases.

4<sup>th</sup> – Paid to M/s. Nayak Stationeries ` 1200/- on account of printing & stationery Bill No. 4560.

6<sup>th</sup> – Paid to Dr. Nagesh ` 2500/- towards medical expenses of staff Bill No. 775.

9<sup>th</sup> – Paid to Welcome Restaurant towards Tea Bill of staff for the month of November 2016 ` 550/- Bill No. 223.

14<sup>th</sup> – Paid to Mr. Anand ` 1000/- for hiring his taxi for official visit to Ponda & back.

20<sup>th</sup> – Paid to Mr. Keshav for supply of 3 male workers @ ` 80/- per worker per day and 2 female workers @ ` 50/- per worker per day, for 5 days.

Q.3.A) Sonali enterprises bought machinery worth ` 48000/- on 1/4/2012.

They bought additional machinery worth ` 32000/- on 1/10/2012.

The depreciation rate is 15% per annum. They followed straight line method of depreciation. On 1/10/2014 they sold part of machinery for ` 4400/- original cost of which on 1/4/2012, was ` 8000/- .

You are required to prepare machinery account for the year ended 2012-13, 13-14, 14-15.

(10)

**OR**

Q.3.B) Aashish Traders purchased a new machinery as on 1/4/2012 costing ` 50000/-.

As on 1/4/2013 they purchased another machinery costing ` 30000/-.

As on 1/4/2014 they purchased one more new machinery costing ` 35000/-.

On 1/10/2014 they sold an old machinery which was purchased on 1/4/2012 for ` 38000/-.

(10)

You are asked to prepare machinery a/c for the year ended 31<sup>st</sup> March 2015. Follow Reducing Balance Method and calculate depreciation @ 10%. Assume that the accounting year ends on 31<sup>st</sup> March every year.

Q.4.A) Given is the extracts of Trial Balance of M/s. Kalika Traders as on 31<sup>st</sup> March 2016 and you are required to prepare balance sheet as on the same date as per revised schedule of the Companies Act.

(10)

**Trial balance for the year ended 31/03/2016**

Particulars	Dr. `	Cr. `
<b><u>Authorised Share Capital</u></b>		
4000 6% preference shares of ` 100 each.		400000
15000 Equity Shares of ` 100 each		1500000
<b><u>Subscribed Share Capital</u></b>		
3000 6% Preference Shares of ` 100 each.		300000
Equity Share Capital		1100000
Laundry charges	2000	
Capital reserve		18000
Purchases	27000	
General reserve		90000
Wages and salaries	15000	

Rent	10000	
Sales		150000
Plant and machinery	250000	
Opening stock	30000	
Creditors		25000
Furniture	80000	
Bills payables		4000
Cash in hand	8900	
Cash at bank	82000	
Trade receivables	25000	
8% debentures		300000
Land / building	800000	

Additional information:

- 1) Closing Stock ` 42000/-
- 2) Provide depreciation @ 10% on plant & machinery and furniture, and @ 2.5% on land & Building.
- 3) Outstanding salaries and wages 3000/-.
- 4) Prepaid rent 1500/-, transfer to general reserve 1500/-

**OR**

Q.4.B) Prepare a cash flow statement from the following: (10)

<b>Particulars</b>	<b>2015 `</b>	<b>2016 `</b>
Share capital	200000	200000
General reserve	28000	36000
Profit & loss account	32000	26000
Creditors	16000	10800
Bills payables	2400	1600
Provision for taxation	32000	36000
Provision for doubtful debts	800	1200
Goodwill	24000	24000
Building	80000	72000
Plant	74000	72000
Investments	20000	22000
Inventory	60000	46800
Bills receivables	4000	6400
Debtors	36000	38000
Cash	13200	30400

Additional information:

- 1) Depreciation charged on plant `4000 and on building ` 4000.
- 2) Provision for taxation ` 19000 made during the year.

Q.5.A) “Spark traders” furnishes you the following information. You are required to calculate the following ratios: (10)

- a) Current ratio
- b) Liquid ratio
- c) Proprietary ratio
- d) Gross profit ratio
- e) Operating ratio

Sales	530000	
Less returns	<u>30000</u>	
Net sales		500000
Opening inventory		310000
Closing inventory		150000
Wages		5000
Salaries		25000
Advertising		11000
Printing/stationary		15000
Legal fees		6000
Other administrative expenses		16500
Selling & distribution expenses		4500
Carriage inward		2000
Purchases		32000
General reserve		42000
Share capital		750000
Trade receivables		120000
Creditors		45000
Bills payables		17500
Prepaid rent		10500
Bank overdraft		20000
Other current liabilities		55000
Plant / machinery		350000
Land / building		300000
Cash & cash equivalents		67000

**OR**

Q.5.B) PQR Limited issued 80,000 shares for public subscription and received applications for 40,000 shares. All these shares were allotted.

The share amount is payable as follows:

On application ` 20/-

On allotment ` 30/-

On share 1<sup>st</sup> Call ` 25/-

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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