

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA – GOA
B.C.A. (SEMESTER - I) SUPPLEMENTARY EXAMINATION,
MAY/JUNE 2018
BUSINESS ACCOUNTING**

DURATION : 2 Hours

MARKS: 50

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

Q.1.A) Answer the following. (5x2)

1. What is Accounting?
2. Explain the straight line method of depreciation.
3. What is gross profit?
4. What do you understand by current ratio?
5. What are calls-in-arrears?

Q.2.A) Vishal Traders provides you the following information regarding their business transactions, for the month of January 2017. (10)

January 2017

- 1st Purchased goods worth ` 270000 from M/s Sushil and company and paid ` 250000.
- 4th Paid rent of the building ` 3500.
- 5th Sold goods for cash ` 60000.
- 10th Paid towards printing & stationary ` 2070.
- 15th Paid to Sushil & company ` 20000.
- 20th Sold goods worth ` 150000 to M/s Nishant traders and received ` 145000.
- 25th Received the balance amount of ` 5000 from M/s Nishant 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 Sushil and company account
- 3) M/s Nishant traders account.

OR

Q.2.B) M/s. Andrew & Company Pvt. Ltd., Margao, 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 February 2017. You are required to prepare the necessary petty cash vouchers and prepare petty cash book. (No vouchers are prepared in case bills are available)

Petty cash book folio is 232.

February 2017

- 1st – Wages paid to Kamlesh ` 900 for the month of January 2017.
- 2nd – Paid to Fernandes & Co. ` 7500 as per bill no. 2705 on account of purchases.
- 4th – Paid to M/s. College campus ` 2200 on account of printing & stationery Bill No. 8460.
- 6th – Paid to Dr. Anil ` 4500 towards medical expenses of staff Bill No. 775.

9th – Paid to Oppolo Restaurant towards Tea Bill of staff for the month of January 2017 ` 955 as per the Bill No. 299.

14th – Paid to Mr. Alex ` 1,100 for hiring his taxi for official visit to Panjim & back.

20th – Paid to Mr. Mohan for the supply of 2 male workers @ ` 90/- per worker per day and 3 female workers @ ` 50/- per worker per day, for 4 days.

Q.3.A.) M/s. Naik & Co. purchased a machinery worth ` 300000/- as on 1st April 2013. On 1st Oct 2013 additional machinery was purchased for ` 90,000/-. On 1st Oct 2015 they sold machinery purchased on 1st Oct 2013 for ` 70,000/- and purchased new machinery worth ` 20,000/- on the same date i.e. 1st Oct 2015.

Prepare Machinery A/c for the year ended 31st March 2016. Follow Straight Line Method. Charge depreciation @ 10%. Assume that accounting year ends on 31st March every year. (10)

OR

Q.3.B) Aneesh Traders purchased a new machinery as on 1/4/2012 costing ` 150,000/-. As on 1/4/2013 they purchased another machinery costing ` 60,000/-. As on 1/4/2015 they purchased one more new machinery costing ` 40,000/-. On 1/10/2015 they sold the machinery which was purchased on 1/4/2012 for ` 90,000/-. You are asked to prepare Machinery A/c for the year ended 31st March 2016. Follow Reducing Balance Method and calculate depreciation @ 10%. Assume that the accounting year ends on 31st March every year. (10)

Q.4.A) Given is the extracts of Trial Balance of M/s. Maurya Traders as on 31st March 2017 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 31/03/2017

Particulars	Dr.	Cr.
<u>Authorised Share Capital</u>		
6% Preference Share Capital		2000000
Equity Share Capital		3000000
<u>Subscribed Share Capital</u>		
6% Preference Share Capital		1000000
Equity Share Capital		2000000
General Reserves		30000
Purchases	180000	
Wages	14000	
Rent, Rates & Taxes	18000	
Salaries	40000	
Laundry	2000	
Sales		510000
Electricity charges	7800	
Carriage inward	4200	
Carriage outward	3800	
Sundry expenses	6400	
Discount received		7000
Miscellaneous receipts		21000

Transfer fees		6600
Opening stock of materials	90000	
Commission received		5000
8% Debentures		600000
Interest on debentures	40000	
Interest on Bank loan	9000	
Freight	4000	
Cash & Cash equivalents	110000	

Additional information:

- 1) Closing Stock ` 50000.
- 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.

OR

Q.4.B) "Vineet Traders" provides you the following information regarding their Balance sheets as on 31st March 2015 and 31st March 2016. (10)

Note no.	Particulars	Previous year 2015	Current year 2016
1.	Share Capital	335000	390000
2.	<u>Reserves & Surplus</u>		
	General Reserve	90000	99000
	P & L A/c.	<u>52000</u>	<u>39000</u>
3.	<u>Trade Payable</u>		
	Creditors	66,400	70200
	Bills Payable	<u>56,000</u>	<u>42000</u>
4.	<u>Short term provisions</u>		
	Provision for taxes	28000	30000
5.	<u>Non current Assets</u>		
	Machinery	190000	210000
	Building	<u>152000</u>	<u>105000</u>
6.	Non current investments	95000	90000
7.	<u>Trade Receivable</u>		
	Bills receivables	44800	76000
	Debtors	57000	49000
8.	Cash	72600	140200
9.	Preliminary expenses	16000	---

Additional information:

- 1) Provide depreciation on machinery @ 10% & Building @ 15%.
 - 2) Provision for taxation made during the year `15000
- You are required to prepare Cash flow statement.

Q.5.A) Following information is from the books of "Hansraj & Co/- .

You are requested to calculate the following ratios:

(10)

- 1) Current Ratio
- 2) Liquid Ratio
- 3) Operating expenses Ratio
- 4) Debtors turnover ratio
- 5) Net profit Ratio

Fixed Assets

Tangible Assets

Plant & Machinery	250000
Furniture	35000

Intangible Assets

Goodwill	44000
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Current Assets

Cash in hand	30000
Inventories	47000
Debtors	62000
Bills Receivable	32000
Prepaid expenses	5000
Cash at Bank	25000

Current Liabilities

Outstanding wages	5000
Bank Overdraft	7000
Bills payable	27000
Creditors	62000
Outstanding Rent	8000

P&L Account items

Opening Stock	145000
Rent	5000
Wages	8000
Salaries	21000
Selling expenses	12000
Sales	195000
Purchases	65000
Net profit	67000

OR

Q.5.B) ABC Company Limited issued 100000 shares for the public subscription and received applications for 70000 shares. All these shares were allotted.

The share amount is payable as follows:

(10)

- On application ` 20/-
- On allotment ` 30/-
- On share 1st Call ` 25/-
- On share final call ` 25/-

Directors made all the calls on share. All the money was received except Final call money was not received on 5000 shares.

As a result the Directors forfeited these shares. You are required to give the journal Entries.

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