

GOA VIDYAPRASARAK MANDAL'S
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
PONDA-GOA

B.C.A. (SEMESTER - I) EXAMINATION – OCTOBER 2011
BUSINESS ACCOUNTING

Duration: 2 Hours

Marks: 50

- Instructions: 1) All questions are compulsory.
2) Figures to the right indicate marks.
3) Use of calculators allowed.

Q.1.A) Fill in the blanks: (5)

- _____ concept separates business from owners.
- _____ is the process of transferring the entries from the books of original entry to the ledger.
- Benefits of _____ expenditure are consumed over many years.
- Financial analysis done by the people who are outsiders to the business is known as _____.
- Excess of current assets over current liabilities is known as _____.

B) Match the pairs:

- | A | B |
|-------------------------------|---------------------------------|
| 1) Convention of conservatism | a) Prepared for cash received |
| 2) Expenditure on advertising | b) Capital expenditure |
| 3) Authorised capital | c) Playing safe |
| 4) Holders of equity shares | d) Owners of business |
| 5) Cash receipt voucher | e) Deferred revenue expenditure |
| | f) Nominal capital |
| | g) Creditors of business |

Q.2.A) From the following transactions of M/s Aditya Traders, pass the journal entries and prepare the following accounts.

- Capital a/c
 - Printing / stationary a/c
 - Rent a/c
 - Purchases a/c
- (10)

2011

June 1 Started business with cash ₹ 15000, building ₹ 100000, Furniture ₹ 25000.

June 5 Paid rent ₹ 2500

June 12 Electricity charges paid ₹ 1900.

June 15 Purchased materials from Mr. Vishal ₹ 12500.

June 19 Paid towards printing & stationary ₹ 900.

June 25 Sold goods to Mr. Prakash worth ₹ 5000.

OR

Q. 2.A) Prepare the necessary cash and bank vouchers for the following transactions and prepare a cash book with bank column and balance the same.
Cash and Bank transactions of "Anurag Traders" Vasco- Goa.
Their bankers are Bank of India - Vasco.

2011

May 1 Cash on hand ₹ 50500
Cash at bank ₹ 15700.

May 6 Payment made to M/s Dangui Hardware ₹ 30000 by cheque no. 653219 against their bill no 3838.

May 12 Cash sales realized as per bill no 512-515 ₹ 27000.

May 15 Petty cash expenses ₹ 35000 as per petty cash book folio no 666.

May 20 Cash sales realized as per bill no 516-520 ₹ 10000.

May 25 Received cheque no 345678 for ₹ 65000 drawn on Bank of Maharashtra, Ponda from M/s Laxmi steel against settlement of their bill no. 8752.

Vouchers are prepared incase bills are not available.

All the above vouchers are entered in cash book folio no: 532.

(10)

Q.3.A) Kadam Industries bought machinery worth ₹ 24000 on 1/4/06 and bought additional machinery on 1/10/06 of worth ₹ 16000.

(10)

On 1/10/2008 they sold part of machinery for ₹ 2200 original cost of which on 1/4/06 was ₹ 4000. On the same day new machinery was purchased for ₹ 8000.

They charged depreciation @ 15% p.a. under fixed installment method.

Prepare machinery a/c and depreciation a/c for the year ended 2006-07, 07-08, 08-09.

Assume that the accounts are closed on 31st March every year.

OR

B) On 1st April 2006 Maruti Traders purchased Machinery for ₹ 20000. On 1st October 06 they purchased further machinery costing ₹ 10000.

(10)

On 1st October 08 they sold for ₹ 6000 the machinery purchased on 1st April 06 and bought another machinery for ₹ 12000 on the same date.

Depreciation was provided on machinery @ 10% p.a. under reducing balance method. Financial year closes on every 31st March.

Prepare machinery a/c for the year ended 2006-07, 07-08, 08-09, 09-10.

Q.4.A) You are given the trial balance of "Oriental Ltd" as on 31/03/2010.

(10)

TRIAL BALANCE

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
Plant / machinery	550000	Sales	225000
Opening stock	95000	Purchase returns	5500
Debenture interest (half yearly)	5000	5% mortgaged debentures	200000
Bills receivables	30000	Creditors	40000
Furnitures and fixtures	65000	R.D.D.	2320
Purchases	125000	Commission	7400
Salaries	25000	P/L a/c	42000
Bad debts	13900	Bank loan (unsecured)	100000

Manufacturing wages	13700	General reserve	43530
Cash on hand	80000	Share capital	400000
Carriage inward	3900		
Audit fees	1750		
Preliminary expenses	10000		
General expenses	2500		
Debtors	45000		
	1065750		1065750

Following additional information is given:

- 1) Closing stock for 31/3/10 is ₹135000.
- 2) Provision for doubtful debts 3% on debtors.
- 3) Depreciate plant and machinery @ 5% p.a.
- 4) Transfer to general reserve ₹ 11200.
- 5) Debenture interest O/s for 6 months.

You are required to prepare Trading and Profit and Loss account and Balance Sheet as at 31.03. 2010.

OR

B) S K Brothers provides you their balance sheets as on 31/12/09 and 31/12/2010.

Balance sheet as on _____

LIABILITIES	2009	2010	ASSETS	2009	2010
Share capital	200000	200000	Building	105000	115000
General reserve	54000	60000	Plant	160000	130000
P/L A/C	29000	18000	Investments	11000	15000
Bills payable	32000	40400	Stock	25900	35000
Creditors	27000	21000	Debtors	21000	17000
Provision for tax	18000	20000	Bills receivables	28000	35000
O/S exp	1900	2100	Cash	11000	14500
	361900	361500		361900	361500

Following additional information is available:

- 1) Income tax paid during the year 16000.
- 2) Depreciation charged on building ₹ 5000.

You are required to find out cash from operation and prepare cash flow statement.

Q.5.A) Following are the balance sheets of ABC Ltd and PQR Ltd.

Balance sheet as on 31/12/2010

LIABILITIES	ABC LTD	PQR LTD	ASSETS	ABC LTD	PQR LTD
Share capital	210000	250000	Plant/machinery	150000	158000
Reserves	40000	55000	Building	175000	180000
Debentures	100000	100000	Stock	5500	15000
Creditors	30000	38000	Debtors	45000	65000
Bills payable	15000	19000	Bank	26000	50000
Bank overdraft	8000	6000	Prepaid expenses	1500	
	403000	468000		403000	468000

Additional information:

1) Sales ABC Ltd: 98000;
PQR Ltd: 79800.

Net profit ABC Ltd: 38000;
PQR Ltd: 42850.

Calculate the following ratios for both the companies.

1. Liquid ratio
2. Current ratio
3. Stock turnover ratio
4. Proprietary ratio.

OR

B) Vaidya Ltd issued 20000 shares of ₹ 100 each. Share amount was payable as follows:

On application ₹ 20

On allotment ₹ 30.

On 1st call ₹ 25

On final call ₹ 25

Applications were received for 15000 shares and all these applicants were allotted shares. The directors made all the calls on shares.

1st call money was not received on 1000 shares and second call money on 500 shares.

The directors forfeited the shares on which the first call was not received. And out of those forfeited shares, 500 shares were re issued as fully paid at ₹ 70 per share.

You are required to give the journal entries.

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