

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
PONDA – GOA

B.C.A. (SEMESTER - I) EXAMINATION, OCTOBER 2015
BUSINESS ACCOUNTING

DURATION : 2 HRS

MARKS: 50

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

Q.1.A) Answer the following. (5x2)
1. Define journal.
2. Distinguish between capital expenditure and revenue expenditure.
3. What are trade payables?
4. What do you understand by acid test ratio?
5. What is a secret reserve?

Q.2.A) Following business transactions are from the books of M/s Karan Traders for the month of march 2015. (10)
You are required to pass the journal entries and prepare the following accounts.
1. Capital account
2. Printing and stationery account
3. Rent account
4. Purchases account
2015
March 1. Started business with cash `15000, building `100000 and furniture `25000.
March 5. Paid rent ` 2500.
March 12. Electricity charges paid ` 1900.
March 15. Purchased materials from Mr Vilas ` 12500.
March 19. Paid towards printing & stationery ` 900.
March 25. Sold goods to Mr Prakash worth ` 5000.

OR

Q.2.B) M/S Gore & sons, Ponda Goa maintained an analytical petty cash book which is closed on daily basis. (10)
Their petty cash transactions for the month of February 2015 are as follows:
1st Feb Paid `3200 to Usha traders for the purchase of rain wears for the staff, as per the bill no: 2626.

1st Feb Paid salaries to Mr D'costa `5500 for the month of January 2015.

3rd Feb Paid `450 to Mr john for hire of his taxi for a visit to Dabolim airport as per the bill no: 293.

3rd Feb purchased stationary from Nalanda stores worth `750, as per the bill no :233.

9th Feb Paid towards purchase of materials `1900, as per the bill no: 1090.

14th Feb Paid to Dr. Ram `1800 towards medical expenses of staff as per bill no: 1301.

17th Feb Paid to Sharma printers `950 as per bill no:140.

21st Feb Paid to Gokul Restaurant `1200 as per the bill no: 755, towards providing refreshments to staff.

All the above vouchers are entered in cash book folio no 51.

Prepare the necessary vouchers and the petty cash book for the month of February 2015.

(Prepare vouchers only in case bills are not available)

Q.3.A.) M/s Eshwar Traders purchased a machinery worth `1575000, on 1/4/2011.

They bought additional machinery worth `900000 on 1/10/2011. (10)

The depreciation rate they charged is 10% per annum under fixed instalment method.

On 1/10/2013 they sold the machinery which was purchased on 1/4/2011, for `1100000 and on the same date they bought a new machinery costing `750000.

Show machinery account for the year ended 31/3/2014.

OR

Q.3.B) On 1/4/2011 Menaka Traders purchased a machinery for ` 20000. On 1/10/2011 they purchased further machinery costing `10000. (10)

On 1/10/2013 they sold for `6000, the machinery purchased on 1/4/2011, and bought another machinery for `12000 on the same date. The depreciation rate is 10% per annum. They follow reducing balance method. Accounting year closes on 31st march every year.

Prepare machinery account for the year ended 2011-12, 12-13, 13-14, 14-15.

Q.4.A) M/S Indigo manufactures ltd furnishes you their trial balance as on 31st March 2015. You are required to prepare balance sheet as per the revised schedule VI of Company's Act. (10)

Trial balance for the year ended 31/3/2015

Particulars	Amount	Particulars	Amount
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Premises	300000	P/L A/C	68000
Cash in hand	50000	Share capital	500000
Wages	2000	Long term loan	200000
Plant and machinery	500000	Commission received	20000
Opening stock	90000	General reserve	60000
Cash at bank	75000	Creditors	48000
Purchases	30000	12% debentures	400000
Furniture	55000	Bills payable	56000
Goodwill	80000		
Salaries	40000		
Trademarks	20000		
Investment (non current)	52000		
Bills Receivable	23000		
Debtors	35000		
	1352000		1352000

Additional information:

1. Closing stock `268500.
2. Company proposed dividend of `40000.
3. Transfer to general reserve `7500.
4. Debenture interest outstanding for 6 months.
5. Provide depreciation on plant and machinery @ 10%.
6. Net profit for the year `52500.

OR

Q.4.B) M/s. Yashoda & Co. furnishes you the following information regarding their Balance sheets. (10)

Note no.	Particulars	Previous year 2012	Current year 2013
1.	Share Capital	200000	200000
2.	<u>Reserves & Surplus</u>		
	General Reserve	28000	36000
	P & L A/c.	<u>32000</u>	<u>26000</u>
		<u>60000</u>	<u>62000</u>
3.	<u>Trade Payable</u>		
	Creditors	16000	10800
	Bills Payable	<u>24000</u>	<u>1600</u>
		<u>40000</u>	<u>12400</u>
4.	<u>Short term provisions</u>		

	Provision for tax	32000	36000
	Provision for doubtful debts	<u>800</u>	<u>1200</u>
		<u>32800</u>	<u>37200</u>
5.	<u>Intangible Assets</u>		
	Goodwill	24000	24000
	Trademarks	<u>20000</u>	<u>22000</u>
		<u>44000</u>	<u>46000</u>
6.	<u>Tangible Assets</u>		
	Building	80000	72000
	Plant	<u>74000</u>	<u>72000</u>
		<u>154000</u>	<u>144000</u>
7.	Inventories	60000	46800
8.	<u>Trade Receivables</u>		
	Bills Receivable	4000	6400
	Debtors	<u>36000</u>	<u>38000</u>
		<u>40000</u>	<u>44400</u>
9.	Cash	13200	30400

Additional information:

- 1) Depreciation charged on Plant ` 4000 & Building `4000
 - 2) Provision for taxation `19000 made during the year.
- From the above you are required to prepare Cash flow statement.

Q.5.A) Veena and company provides you the following information: (10)

Revenue from operation	1040000
Less sales returns	40000
Net sales	1000000
<u>Other expenses</u>	
<u>Administrative expenses</u>	
Office expenses	5200
Office rent and rates	7500
Printing and stationery	150
<u>Selling expenses</u>	
salesman commission	450
Delivery van charges	1000
Finance expenses	1250
<u>Change in inventory</u>	

Opening stock	420000	
<u>Less closing stock</u>	<u>320000</u>	
	100000	
<u>Employee benefit scheme</u>		
Wages	3000	
Salaries	16500	
<u>Reserves and surplus</u>		
General reserve	30000	
Profit / loss A/c	20000	
<u>Shareholders fund</u>		
Preference share capital	220000	
Equity share capital	425000	
<u>Trade payables</u>		
Creditors	49000	
Bills payables	33000	
<u>Other current liabilities</u>		
Bank overdraft	10000	
<u>Trade receivables</u>		
Debtors	55000	
Bills receivables	45000	
<u>Other current assets</u>		
Prepaid expenses	15000	
<u>Fixed assets</u>		
Plant and machinery	450000	
Land and building	500000	

are

You

required to calculate:

- 1) Operating ratio
- 2) Gross profit ratio
- 3) Current ratio
- 4) Stock turnover ratio
- 5) Proprietary ratio

OR

Q.5.B) M/s Mahalxmi Ltd is registered with an Authorised Capital of ` 80,00,000 divided in to 80,000 shares of `100. (10)

They issued 40,000 shares and all these shares were subscribed.

The share amount is payable as follows:

On application ` 20

On allotment ` 30

On share 1st Call ` 25

On share final call ` 25

All 40,000 shares were allotted.

Directors made all the calls on shares. All the money was received except 1st call money was not received on 2,000 shares and Final call money on 500 shares. The Directors forfeited the shares on which the 1st call was not received and out of these forfeited shares 1,000 shares were re-issued as fully paid at `80 per share.

You are required to give the journal Entries.

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