

**Goa Vidyaprasarak Mandal's  
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE  
AND ECONOMICS, PONDA - GOA  
B.C.A (SEMESTER-I) EXAMINATION, OCTOBER 2016  
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 do you mean by a voucher?
- b) Give any three examples of capital expenditure.
- c) What are trade receivables?
- d) Define financial statement analysis.
- e) What is authorised capital?

**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. Vinod's account    3. Carriage outward account.

- March 1<sup>st</sup> - Started business with cash ` 20000/- , furniture ` 50000/-,  
plant & machinery ` 200000/-  
March 2<sup>nd</sup> - Paid for purchases ` 10000/-  
March 7<sup>th</sup> - Sold goods for cash ` 18000/-  
March 15<sup>th</sup> - Received commission ` 1200/-  
March 20<sup>th</sup> - Sold goods to Mr. Vinod worth ` 4000/- & received ` 3000/-  
only.  
March 21<sup>st</sup> - Paid towards carriage outward ` 1500/-  
March 25<sup>th</sup> - Received discount ` 200/-

**OR**

**Q.2.B)** M/s. Abhilasha Traders, Panjim, furnishes you their following transactions, for which you are requested to prepare the necessary Cash & Bank vouchers and prepare a cash book with Bank and Cash column & balance the same. (10)

Their Bankers are Bank of India, Panjim. Cash book folio No. is 562.

2016, December

- 1 – Balance of cash ` 60,500/-
- 1 – Balance of Bank ` 82,400/-
- 3 – Cheque no. 860454 for ` 45,000/- issued to M/s. Laxmi Industries Ltd. against Bill No. 4232.
- 6 – Petty cash expenses ` 1,720/- as per petty cash book folio no.15, Bill no. 225.
- 10 – Cash sales realised as per Bill no. 401, 402, 403, 404, ` 19,500/-
- 15 – Received cheque no. 435402 drawn on State Bank of India, Margao for ` 1,25,000/- from M/s. Sawant Brothers towards full & final settlement of our bill no. 721.
- 23 – Cash sales realised ` 2,000/- as per bill no. 405, 406.  
(Prepare vouchers only when bills are not available)

Q.3.A) Deepali international bought machinery worth ` 24000/- on 1/4/2011.

They bought additional machinery worth `16000/- on 1/10/2011.

The depreciation rate is 15% per annum. They followed straight line method of depreciation. On 1/10/2013 they sold part of machinery for

` 2200/- original cost of which on 1/4/2011, was ` 4000/- .

You are required to prepare machinery account for the year ended 2011-12, 12-13, 13-14. (10)

**OR**

Q.3.B) On 1/4/2012, Alankar brothers purchased machinery for ` 70000/-. On 1/10/12, additions were made to the machinery by purchasing further machinery worth ` 40000/-.

On 1/10/2014, they sold the machine purchased as on 1/4/2012, for ` 55000/-.

Depreciation is provided @ 10%, under reducing balance method.

You are required to prepare machinery account for the year ended 31/3/2015. (10)

Q.4.A) Given is the extracts of Trial Balance of M/s. Nagesh Traders as on 31<sup>st</sup> March 2015 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 31/03/2015

Particulars	Dr. `	Cr. `
<u>Authorised Share Capital</u>		
7000 6% preference shares of `100 each.		700000
20000 Equity Shares of `100 each		2000000
<u>Subscribed Share Capital</u>		
4000 6% Preference Shares of ` 100 each.		400000
Equity Share Capital		1100000
Laundry charges	3000	
Capital reserve		20000
Purchases	27000	
General reserve		90000
Wages and salaries	15000	
Rent	10000	
Sales		120000
Plant and machinery	650000	
Opening stock	30000	
Creditors		35000
Furniture	70000	
Bills payables		5000
Cash in hand	7700	
Cash at bank	85000	
Trade receivables	25000	
8% debentures		400000
Land / building	1000000	

Additional information:

- 1) Closing Stock ` 45200/-
- 2) Provide depreciation @ 10% on plant & machinery and furniture, and @ 2.5% on land & Building.
- 3) Outstanding salaries and wages ` 4000/-.
- 4) Prepaid rent ` 2000/-, transfer to general reserve ` 2000/-

**OR**

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

Particulars	2014 `	2015 `
Share capital	2000000	2000000
General reserve	280000	360000
Profit & loss account	320000	260000
Creditors	160000	108000
Bills payables	24000	16000
Provision for taxation	320000	360000
Provision for doubtful debts	8000	12000
Goodwill	240000	240000
Building	800000	720000
Plant	740000	720000
Investments	200000	220000
Inventory	600000	468000
Bills receivables	40000	64000
Debtors	360000	380000
Cash	132000	304000

Additional information:

- 1) Depreciation charged on plant ` 80000/- and on building ` 80000/-.
- 2) Provision for taxation ` 380000/- made during the year.

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

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

	`	`
Sales	466000	
Less: returns	60000	
Net sales		406000
Opening inventory		320000
Closing inventory		160000
Wages		5000
Salaries		25000
Advertising		11000
Printing/stationary		15000

Legal fees		6000
Other administrative expenses		16500
Selling & distribution expenses		4500
Carriage inward		2000

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Purchases		30000
General reserve		42000
Share capital		650000
Trade receivables		120000
Creditors		45000
Bills payables		17500
Prepaid rent		10500
Bank overdraft		20000
Other current liabilities		55000
Plant / machinery		250000
Land / building		300000
Cash & cash equivalents		55000

**OR**

Q.5.B) Harpreet & Co. is registered with an Authorised Capital of ` 10000000/- divided into 100,000 shares of ` 100/-.

They issued 60,000 shares and all these shares were allotted. (10)

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/-

Directors made all the calls on share. All the money was received except 1<sup>st</sup> call money was not received on 2,000 shares and Final call money on 500 shares.

The Directors forfeited the shares on which the 1<sup>st</sup> call was not received and out of these forfeited shares 1,000 shares were re-issued as fully paid at ` 70/- per share.

You are required to give the journal Entries.

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