

JK LAKSHMIPAT UNIVERSITY, JAIPUR
INSTITUTE OF MANAGEMENT
END TERM EXAMINATION (JANUARY 2022)
BBA-I Semester

Time: 2 Hours
MM: 40 Marks

Course: Accounting for Business
Course Code: FA1101

Instructions: Answer any 4 questions from below of 10 marks each.

Q1. Following are the two balance sheet of Ramu Ltd and Shaymu Ltd as on 31-03-21.

Particular	Ramu Ltd	Shyamu Ltd
Cash	27	72
Trade Receivables	220	226
Stock	100	174
Prepaid Expenses	11	21
Other current Assets	10	21
Plant and machinery	135	95
Land and Building	200	120
Other fixed Assets	300	298
Total Assets	1003	1027
Sundry Creditors	42	154
Trade payable	58	47
Other current liabilities	20	15
Debentures	100	128
Long term loan	115	145
Other fixed liabilities	10	45
Capital	658	493
Total Equity and liabilities	1003	1027

You are required to prepare the common size balance sheet (5 marks) and provide appropriate interpretations on the financial data of both the companies (5 marks)

Q2. From the following summarized profit and loss account and balance sheet of Anushka Ltd. For the year ending March 31, 2021.

Profit and Loss Account			
Particular	Amount	Particular	Amount
To opening Stock	99500	By Sales	850000
To purchases	545250	By Closing Stock	149000
To Wages	14250		
To Gross profit	340000		
	<u>9,99,000</u>		<u>9,99,000</u>
To operating Expenses:		By Gross profit b/d	340000
Administrative Expenses	150000	By interest	3000
Selling Expenses	34000	By profit on sale of investment	6000
Finance charges	15000		
To Net profit	150000		
	<u>3,49,000</u>		<u>3,49,000</u>

Balance Sheet			
Share capital	2,00,000	Building	150000
Reserves	90,000	Machinery	180,000
Retained earning	60000	Stock	49000
Non-Current liability	80000	Trade Receivable	71000
Current liability	60000	Cash	30000
Short term loan	10000	Short term advances	20000
	<u>5,00,000</u>		<u>5,00,000</u>

You are required to calculate the following ratios and information required and state the purpose they serve (1 marks each)

- | | |
|-----------------------------|-----------------------------------|
| 1. Current ratio | 6. Return on Shareholders fund |
| 2. Liquid Ratio | 7. Return on outsider's fund |
| 3. Debt Equity Ratio | 8. Return on Assets |
| 4. Net profit Ratio | 9. Working capital of the firm |
| 5. Cost of Goods sold Ratio | 10. Operating profit of the firm. |

Q3. Pink-city travels provide travel services in the city of Jaipur Rajasthan. The balance of the company is as follows-

Pink-City Travels Ltd Trail Balance, October 31, 2021		
Particular	Amount	Amount
Office Equipment	7000	
Accumulated Depreciation		1000
Office Supplies	3800	
Trade Receivables	1900	
Cash	770	
Prepaid Rent	2400	
Trade payables		1100
Unearned Revenue		400
Share Capital		10000
Retained Earning		2100
Dividends	1400	
Revenue from Services		7200
Salaries Expenses	3800	
Telephone Expenses	730	
Total	21800	21800

Additional Information:

- Prepaid Rent represents rent for October to December, 2021.
- The Inventory of office supplies at the end of October was Rs. 3200.
- Revenue earned for services performed but yet not billed at the end of October was Rs. 1600.
- Revenue earned for services performed, paid for in advance, was Rs. 210.
- Depreciation of office equipment for October was Rs. 250.
- Accrued salaries at the end of October were Rs.540.

Required:

1. prepare adjusting entries and post them in the ledger account. (2 Marks)
2. Prepare adjusted trail balance. (3 Marks)
3. Prepare the October, statement of profit and loss, Statement of Retained earnings, and balance sheet. (5 Marks)

Q4. Lovely Restaurant had the following account balance on Dec 31 2021.

Trade Receivable 20,000

Cash 10,000

Equipment 23400

Supplies 72000

Trade payables 14000

Share capital 50,000

Retained Earnings 61400.

The following transactions took place in the month of January 2022.

- a. Paid dividends 5,000
- b. Paid Suppliers 6000
- c. Took a bank loan 20,000
- d. Paid Restaurant Rent 4000.
- e. Billed customer Rs. 3500 for service provided.
- f. Collected from customer billed in December Rs. 8000.
- g. Paid all the amounts due on Dec 31.
- h. Bought supplies for cash Rs. 10,000.
- i. Bought kitchen equipment on credit Rs. 40,000.
- j. Received revenue from Food sell Rs. 30,000
- k. Paid assistant salary Rs. 1200.

Required-

1. Prepare Trail Balance (3 Marks)
2. Prepare Lovely Restaurants Income Statement, Balance Sheet and Cash flow statement (5Marks)
3. Comment on Lovely Restaurants performance for the month of January. (2 Marks)

Q5. Write Notes on any two-(5 Marks each)

a. Accounting Concepts

b. Trial Balance and Errors

C. Capital and Revenue Expenditure & Receipts

