

JK Lakshmipat University Jaipur
INSTITUTE OF MANAGEMENT
End Term Examination, December 2024
BBA, Semester I, 2024-25

Roll No.....

FA1101: Accounting for Business

Time: 2 hours

Max. Marks: 40

Instructions to students:

1. Do not write anything other than your roll number on question paper.
2. Mention all the assumptions for your answers clearly.
3. Use of calculator is allowed in this exam.

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- Q. 1.1 What does the inventory turnover ratio indicate, and it is important in which financial decision of a company? 2.0 (LO, 4)
- Q. 1.2 Define Cost of Goods Sold (COGS). How will you compute cost of goods sold in your business? Explain its significance in financial statements. 3.0 (LO3, 4)
- Q.1.3 Discuss the three major financial statements and their significance in assessing the financial performance and position of a business. 5.0 (LO 4)
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- Q. 2.1 From the following trial balance and additional information, prepare Manufacturing, Trading Profit & Loss and Balance sheet as at 31st March 2024. 20 (LO3)
- Trial balance of Sigma Chemicals, for the year ended on 31.3.2024:

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Opening Stock	5,18,750	Sales	20,62,500
Raw Materials	2,88,750	Capital	10,56,000
Work in Progress	66,000	Sundry Creditors	2,50,800
Finished Goods	2,64,000	Discount Received	9,900
Purchases	6,18,750	Bills Payable	1,71,600
Factory Building	5,25,195		
Plant	6,60,000		
Furniture	99,000		
Trade Marks	41,250		
Wages	1,78,200		
Factory Expenses	10,725		
Power & Fuel	19,800		
Factory Insurance	7,425		
Staff Salary (60% factory)	49,500		
Office Rent	9,900		
Carriage Inward	6,600		
Printing & Stationery	10,643		
Bank Charges	1,898		
Travelling Expenses	29,370		
Discount Allowed	3,630		

Advertisement	9,900		
Sundry Debtors	1,69,125		
Sundry Expenses	5,445		
Bills Receivable	1,45,035		
Bank Balance	3,10,860		
Cash	19,800		
Total	35,50,800	Total	35,50,800

Closing stock:

Raw materials 65,000, Work in Progress 1,00,000, Finished goods 75,000

Q. 3.1 Sigma Automobiles is evaluating its financial health to make strategic decisions. 10.0
The following financial information for the year ending 31st March 2024 is (LO4)
available:

Total Current Assets: Rs. 8,50,000

Total Current Liabilities: Rs. 4,20,000

Total Non-Current Assets: Rs. 15,25,000

Sales for the Year: Rs. 20,60,000

Cost of Goods Sold (COGS): Rs. 12,40,000

Total Equity: Rs. 17,00,000

Total Assets: Rs. 22,10,000

Based on the above information, compute the following financial ratios:

Current Ratio

Quick Ratio

Asset Turnover Ratio

Debt to Equity Ratio

Debt Ratio

Interpret the computed ratios and provide business recommendations for Sigma Automobiles.

all the best!