



Institute of Management
JK Lakshmipat University
Jaipur

END TERM EXAMINATION-OCT 2019

BBA Sem I
MM: 40 Marks

Course: Accounting for Business
Time: 2 Hours
Subject code: FA1101

Answer any 4 question of 10 Marks Each.

Q1. From the following trial balance of Blue Enterprise and the other particulars given, prepare a trading account and Income Statement and Balance sheet for the year ended 31st December, 2012.

Particulars	Dr.(RS.)	Particulars	Cr(Rs.)
Prepaid Expenses	1,000	Capital	10,00,000
Balance at Bank	1,76,000	Accounts Payable	2,32,000
Motor Vehicle	1,48,000	Sales	31,60,000
Accounts Receivable	2,96,000	Provision for doubtful debt	5000
Printing & Stationary	6,600	General Reserve	2,00,000
Purchases	24,00,000	Profit and Loss A/c	1,24,000
Opening Inventory	2,40,000		
Bad debts	11,400		
Freehold premises	8,00,000		
Repair to premises	47,600		
Manager's Remuneration	20,000		
Wages and Salaries	2,29,000		
Motor and delivery expenses	99,000		
Administration expenses	1,31,400		
Rates and Taxes	15,000		
Good will	1,00,000		
Total	47,21,000	Total	47,21,000

Adjustments:

- Inventory on hand as on 31st December, 2012 is Rs. 2,80,000.
- Depreciate motor vehicles by Rs. 74,000.
- Unpaid wages amounted to Rs. 1600.
- Rates paid in advance were worth Rs. 3000.
- Provision for bad debts is to be reduced to Rs. 3500.
- The items of repairs to premise includes Rs. 20,000 for capital structures.

Q2. The following are the Balance sheet of Ashray Bhatia Ltd for the years 2010 and 2011. Prepare a comparative Balance sheet and study the financial position of the concern.

Equity & Liabilities	2010 ₹	2011 ₹	Assets	2010 ₹	2011 ₹
Equity share	6,00,000	8,00,000	Land & Buildings	3,70,000	2,70,000

capital	3,30,000	2,22,000	Plant & Machinery	4,00,000	6,00,000
Reserve & Surplus	2,00,000	3,00,000	Furnitures	20,000	25,000
Debentures	1,50,000	2,00,000	&Fixtures	25,000	30,000
Long-term loan	50,000	45,000	Other fixed assets		
Bills Payable	1,00,000	1,20,000	Cash in hand & at	20,000	82,000
Sundry Creditors	5,000	10,000	Bank	1,50,000	90,000
Other Current liabilities			Bills Receivable	2,00,000	2,50,000
			Sundry debtors	2,50,000	3,50,000
			Stock		
Total	14,35,000	16,97,000	Total	14,35,000	16,97,000

Q3.

. With the following ratios and further information given below, complete the Trading Account, Profit and Loss Account and Balance sheet of Mr. X:

Trading & Profit & Loss Account

To Cost of Sales	.....	By Sales	.....
To Gross profit (25% on sales)	.....		
			
To Expenses	.....	By Gross Profit	.....
To Net Profit(20% on Sales)	.....		.....
Total	.....	Total	.....

Balance Sheet

Capital		Fixed Assets	.....
Add: Net Profit		Current Assets:-	
	.....	Stock	
Total Liabilities	.....	Other Current Assets.	.....
Total	.....	Total	.....

Information:

Gross profit Ratio = 25%

Net profit Ratio = 20%

Sales/ Inventory Ratio = 8

Fixed Assets/ Total Current Assets = $\frac{3}{4}$

Fixed Assets / Total Capital = $\frac{3}{2}$

Capital/ Total Outside Liabilities = $\frac{2}{5}$

Fixed Assets = Rs. 15,00,000

Closing Stock = Rs. 2,00,000.

Q4. Write Short notes on any 2

1. Utility of Management Accounting
2. Costing methods
3. Costs excluded from Cost Sheet.

Q5. A manufacturing Concern purchases from time to time large quantities of a commodity used in the manufacture of one of its products. Following are the details of purchases during the six months ended 31st December, 2010.

2010	Quantity	Cost price per 100
August 12	5,000	20
September 15	12,500	21
October 20	10,000	19
November 3	7,500	18
December 1	6,000	18
December 20	1,500	17

There were 7,500 units in stock at July 1, 2010, which were valued at Rs. 19 per 100.

Quantities were issued from Store during the six months were as under:

2010	Quantity
July, 25	5,000
August 28	4,000
September 29	12,500
October 30	10,000
November 15	9,000
December 29	7,500

At what prices should the issues be charged and the closing stock valued? Prepare a Stores ledger account illustrating your views.

Q6. From the following particulars, prepare a cost statement showing the components of Total Cost and profit for the year ended 31st, December, 2010.

	1-1-2010	31-12-2010
Stock of Finished Goods	6,000	15,000
Stock of Raw Materials	40,000	50,000
Work in Progress	15,000	10,000
Purchase of Raw material	4, 75,000	
Carriage Inward	12,500	
Wages	1, 75,000	
Work Manager's Salary 30,000		
Factory employees' Salaries	60,000	
Factory rent, taxes	7,250	
Power Expenses	9,500	
Other production expenses	43,000	
General expenses	32,500	
Sales for the year	8, 60,000	
Income Tax	500	
Dividend	1,000	
Debenture Interest	5000	
Transfer to Reserve fund	10,000	
Good will written off	10,000	
Payment of Sales Tax	10,000	
Selling expenses	9,250	