

[This question paper contains 6 printed pages.]

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Your Roll No.....

Sr. No. of Question Paper: 6040

Unique Paper Code : 61011204

Name of the Paper : Business Accounting

Name of the Course : **Bachelor of Management  
Studies (LOCF)**

Semester : II

Duration : 3 Hours

Maximum Marks : 75

**Instructions for Candidates**

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. All question carry equal marks.
3. The question paper contains 6 questions.
4. Attempt any 5 question in all.
5. Use of simple calculator is allowed.

P.T.O.



1. Following is the Balance sheet of Trehan Ltd: (15)

**Balance Sheet of Trehan Ltd as on 31st March, 2022**

Particulars	Amount
<b>I. EQUITY &amp; LIABILITIES</b>	
<b>(1) Shareholder's Funds:</b>	
(a) Share Capital - Equity Share of Rs 5 each fully paid	50,00,000
(b) Reserves & Surplus	50,00,000
<b>(2) Share Application Money Pending Allotment</b>	NIL
<b>(3) Non-Current Liabilities</b>	
(a) Long Term Borrowings - 8% Debentures	15,00,000
<b>(4) Current Liabilities</b>	
(a) Short Term Borrowings - Bank loan	2,00,000
(b) Trade Payable - Sundry Creditors	20,00,000
<b>TOTAL</b>	<b>1,37,00,000</b>
<b>II. ASSETS</b>	
<b>(1) Non-Current Assets</b>	
(a) Fixed Assets	
(i) Land & Building	75,00,000
(ii) Plant & Machinery	25,00,000
<b>(2) Current Assets</b>	
(a) Current Investments	2,50,000
(b) Inventories	5,50,000
(c) Trade Receivables - Book Debts	15,00,000
(d) Cash & Cash Equivalents - Cash in Hand	14,00,000
<b>TOTAL</b>	<b>1,37,00,000</b>

You are required to calculate and interpret the following ratios if annual sales reported is Rs.2 Crore and gross profit ratio is 25% on net sales. EBIT stands at Rs 30,00,000. Calculate and interpret Altman Z Score if market value per share is Rs 15.

2. Prepare Trading account, Profit & Loss account and Balance Sheet for M/s Radheshyam for the year ending on March 31, 2022 after giving effect to the adjustments: (15)

## Trial Balanceas on March 31, 2022

Account	Amount (in Rs)	
	Debit	Credit
Capital		30,60,600
Cash in hand	58,100	
Cash at Bank	1,64,200	
Purchase and Sales	13,41,500	23,35,500
Wages	1,42,000	
Factory rent	2,69,900	
Salaries	1,13,300	
Carriage inwards	13,500	
Carriage outwards	23,400	
Opening Stock	1,96,000	
Building	13,36,400	
Plant and Machinery (purchased on 1-10-2021)	11,00,200	
Motor Car	1,78,200	
Debtors and Creditors	4,64,600	2,67,300
Discount	82,800	
6 % Investment (made on 1-12-2021)	30,600	
Commission	46,800	
Drawings	57,300	
Sales return	44,600	
Total	56,63,400	56,63,400

Additional information:

- (i) Closing stock as on 31-3-2022 was Rs 2,04,000
  - (ii) Salary remaining unpaid amounted to Rs 6,700
  - (iii) Bad debts amounted to Rs 4,600
  - (iv) Create a reserve for bad debts @ 5%
  - (v) Depreciate Motor Car @ 25% and Plant and Machinery @ 5% p.a.
3. (a) "A business entity is required to adjust certain events that occur even after the reporting period ends."  
In the light of the given statement explain the provisions of Ind AS 10. (7)

P.T.O.

- (b) Journalise the following transactions in the books of M/s Dinkar and Sonstrading in Kolkata (8)

Date	Details
April 7, 2022	Purchased machinery worth Rs.10,00,000 (rate of GST 5%) from Raghav Traders in Delhi.
April 15, 2022	Rs. 20,000 was recovered from Janaki. earlier written off as bad debts.
April 23, 2022	Sold goods to Neelkanth Enterprises in Delhi worth Rs.1.05,000 (rate of GST 12%)
April 29, 2022	Rs 30,000 was spent on fuel for motor car during the month of April, out of which one-third was for personal use.

4. Following is the Balance Sheet of Aranya Ltd. Prepare a Cash Flow Statement from the given details: (15)

**Balance Sheet of Aranya Ltd.**

Particulars	31.3.2022 Amount (in Rs)	31.3.2021 Amount (in Rs)
<b>I. EQUITY &amp; LIABILITIES</b>		
<b>(1) Shareholder's Funds:</b>		
(a) Share Capital - Equity Share of Rs 10 each fully paid	20,00,000	25,00,000
(b) Reserves & Surplus	21,50,000	18,50,000
<b>(2) Share Application Money Pending Allotment</b>	---	---
<b>(3) Non-Current Liabilities</b>		
(a) Long Term Borrowings - 10% Debentures	10,00,000	11,00,000
<b>(4) Current Liabilities</b>		
(a) Short Term Borrowings	9,00,000	7,50,000
(b) Trade Payable - Sundry Creditors	24,50,000	20,50,000
(c) Provision for Taxation	2,00,000	1,50,000
<b>Total</b>	<b>87,00,000</b>	<b>84,00,000</b>

II. ASSETS		
(a) Fixed Assets	25,00,000	20,00,000
Less: Provision for Depreciation	(3,00,000)	(2,00,000)
Net Assets	22,00,000	18,00,000
(2) Current Assets		
(a) Loans and Advances	14,30,000	12,00,000
(b) Inventories	12,50,000	10,60,000
(c) Trade Receivables - Book Debts	25,00,000	30,00,000
(d) Cash & Cash Equivalent	13,20,000	13,40,000
<b>Total</b>	<b>87,00,000</b>	<b>84,00,000</b>

Additional information includes:

i. Taxes Paid Rs 2,50,000.

(ii) Fixed assets costing Rs 2,00,000 (written down value Rs. 60,000) were sold for Rs80,000;

(iii) Shares amounting to Rs 2,00,000 were issued as part payment for purchase of fixed assets.

(iv) Debentures were redeemed on 1st April, 2021.

5. ( a) Record the following transactions in three-column cashbook of M/s Indrajeet and find the closing balances for the month of November 2021: (10)

Date	Particulars
1-11-2021	Balance of Cash in hand Rs. 40,000 and Bank overdraft Rs. 17,500
5-11-2021	Sold goods for cash Rs. 30,000.
6-11-2021	Collected from Xavier Rs. 18,000 by cheque and allowed him a discount of Rs. 500. Deposited in bank on the same day.
11-11-2021	Paid Ram Rs. 25,000 by cheque in full settlement of Rs 26,000.
12-11-2021	Paid commission to an agent Rs. 1,500.
13-11-2021	Machinery purchased from Mohan Rs. 2,00,000.
17-11-2021	Drew a cheque for personal use Rs. 5,000.
18-11-2021	Sold goods to Shyam for cash Rs 9,000
23-11-2021	Dividend received Rs. 4,500
29-11-2021	Deposited into bank Rs. 45,000.

P.T.O.

(b) Differentiate between horizontal and vertical analysis. (5)

6. Write a short note: (Any three) (3 × 5 = 15)

(a) Earnings Management

(b) Accounting equation and its utility

(c) Need for convergence to IFRS

(d) Money measurement concept