

6. Write Short note on **any 3** of the following :

- (i) Subsidiary books vs. Ledger
- (ii) Need for convergence with IFRS
- (iii) Contents of Annual Report
- (iv) Techniques of Financial statement analysis  
(3×5)

[This question paper contains 8 printed pages.]

**Your Roll No.....**

**Sr. No. of Question Paper : 2843**

Unique Paper Code : 61011204

Name of the Paper : Business Accounting

Name of the Course : **Bachelor of Management  
Studies (BMS), 2019  
(CBCS)**

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. Attempt any **Five** questions in all.
3. **All** question carry equal marks.
4. All subparts of a question should be attempted together.
5. Use of simple calculator is allowed.

1. (a) "Every firm exhibits some indicators of financial distress before it goes bankrupt". State some of the indicators supporting the above statement.

(5)

(b) Journalise the following transactions:

April 1 Balance as on 1<sup>st</sup> April, 2018 of Raman Enterprises is

(Amount in Rs)

Cash	10,000
Stock	14,000
Mr. Bane (Debtor)	12,350
Machinery	20,000
Mr. Zonal (Creditor)	6,500

April 2 Rent paid Rs. 24,000, One third of the amount belongs to next year

April 3 Purchased goods from Ashok & Co for Rs. 15,000 at 20% Trade discount. Half the payment was made in cash.

April 15 Issued cheque to Ashok & Co. In full settlement Rs. 5,400

April 20 Purchased a car for 50% official use and 50% personal use Rs. 2,50,000

(10)

- (iii) Provide for depreciation on Plant & Machinery at 10% p.a.

- (iv) Goods costing Rs. 10,000 were destroyed due to fire on 30-3-2018. The insurance company accepted claim to the extent of 60% only and paid the claim money on 10-4-2018. (15)

5. (a) Explain briefly the difference in presentation of financial statement in Indian GAAP, IFRS. and Ind AS. (5)

- (b) From the following information relating to Surya limited, you are required to prepare its summarized balance sheet :

Current Ratio	2.5
Acid Test Ratio	1.5
Gross Profit Ratio	0.2
Net Working Capital/Net Worth Ratio	0.3
Sales/Net Fixed Asset Ratio	2.0
Sales/Net Worth Ratio	1.5
Sales/Debtor Ratio	6.0
Reserve/Capital Ratio	1.0
Net Worth/Long Term Loan Ratio	20.0
Stock Velocity	2 Months
Paid-Up Capital	Rs. 10 Lakhs

(10)

Particulars	Amount ( in Rs)	
	Dr.	Cr.
Capital/Drawings	10,000	1,70,000
Plant and Machinery	1,10,000	
Sales and Purchases	84,000	1,65,000
Returns	5,000	4,000
Bad debts/ Bad debts recovered	5,000	26,450
Freight	5,000	
Discount	2,000	1,000
Commission	4,000	3,000
Rent	3,000	4,000
Interest	2,500	3,000
Office and Administrative expenses	6,000	
Selling and distribution expenses	10,000	
Debtors/ Creditors	2,15,000	2,02,000
Bills Receivable/ Bills Payable	10,000	5,600
Loan	20,000	50,000
Investments	50,000	
Opening Stock	54,000	
Cash in hand	12,000	
Cash at SBI bank	45,550	
Bank Overdraft at HDFC Bank		20,000
Wages and Salaries	1,000	
<b>Total</b>	<b>6,54,050</b>	<b>6,54,050</b>

### Additional Information

- (i) Value of closing stock, as on 31<sup>st</sup> March, 2018 is Rs. 61,500.
- (ii) Goods worth Rs. 10,000 were sent to a customer on approval basis and have been accounted in the books as actual sale. These goods remained unapproved on 31-3-2018. The cost of the goods was Rs. 8,000.

2. The Balance Sheet of Bharat Steels ltd as on 31-3-2017 and 31-3-2018 are given below :

PARTICULARS	31-3-2017	31-3-2018
<b>I. Equity and Liabilities:</b>		
<b>I. Shareholders' funds</b>		
a) Share Capital	30,00,000	35,00,000
b) Reserves and Surplus		
(i) Reserve	1,50,000	2,10,000
(ii) Securities Premium	-	4,00,000
<b>2. Non-current Liabilities</b>		
10% Debentures	8,00,000	4,00,000
<b>3. Current Liabilities</b>		
Trade payables	3,60,000	3,00,000
Creditors	6,00,000	5,70,000
Provision for tax	1,50,000	2,00,000
Proposed dividend	3,00,000	4,90,000
<b>Total</b>	<b>53,60,000</b>	<b>60,70,000</b>
<b>II. Assets</b>		
<b>1. Non-current Assets</b>		
(a) Fixed assets		
(i) Tangible Assets		
Buildings	19,00,000	18,00,000
Machinery	13,00,000	21,50,000
(ii) Intangible Assets		
Patents	1,50,000	1,20,000
(b) Non-Current Investments	-	-
(c) Other Non-Current Assets		
Preliminary expenses	-	-
<b>2. Current Assets</b>		
Inventories	4,50,000	5,30,000
Trade Receivables	3,60,000	3,10,000
Debtors	7,60,000	6,50,000
Cash at Bank	3,80,000	4,25,000
Cash	60,000	85,000
<b>Total</b>	<b>53,60,000</b>	<b>60,70,000</b>

Additional information :

- (i) Debentures were redeemed on 30-9-2017.
- (ii) A machine which appeared at written down value of Rs. 2,20,000 was sold for Rs. 1,80,000.
- (iii) New machines costing Rs. 12,00,000 were purchased during the year.
- (iv) Taxes paid during the year amounted to Rs. 2,20,000.

Prepare Cash Flow Statement as per AS-3 (Revised).

(15)

3. (a) "If there is a change in the method of valuation of stock, or for providing depreciation or in making provision for doubtful debt, it should be disclosed in the Balance Sheet by way of footnote". In the light of above statement, explain the relevant convention with suitable example.

(5)

- (b) From the following information provided, prepare comparative Balance Sheet of Reliance Industries and interpret the results :

Particulars	2018 (Rs in crores)	2017 (Rs in Crores)
Equity and Liabilities		
Shareholder's Fund		
(a) Equity Share Capital	6,350	3,255
(b) Reserves and Surplus	3,08,297	2,85,058
Liabilities		
Non Current Liabilities		
(a) Long Term borrowing		
- Secured	2,153	10,461
- 10% Bank Loan	94,682	90,842
Current Liabilities		
(a) Current liabilities	2,02,920	1,53,744
(b) Provisions	3,123	3,386
<b>TOTAL</b>	<b>6,17,525</b>	<b>5,46,746</b>
Assets		
Non Current Assets		
(a) Fixed Assets	2,00,964	1,54,578
(b) Capital Work in Progress	99,483	1,32,741
(c) Investments	2,25,222	1,92,450
Current Assets		
(a) Current Assets	52,759	41,244
(b) Loans and Advances	39,097	25,733
<b>TOTAL</b>	<b>6,17,525</b>	<b>5,46,746</b>

(10)

4. From the following Trial Balance of MRs. Kanta Kumari for the year ending 31.03.2018 and additional information given, prepare Trading and Profit and Loss A/c and Balance Sheet as at 31.3.2018 :