

The following adjustments are to be made :

1. Stock on 31st March, 2017 was values at Rs. 7,85,000.
 2. Purchases include purchase of furniture worth Rs. 50,000.
 3. Depreciate: Furniture and Fittings by 10%, Motor Car by 20%
 4. The owner had withdrawn goods worth Rs. 25,000 during the year.
 5. The Salesman was entitled to a commission of 5% on total sales.
 6. Debtors include Rs. 25,000 as bad debt.
 7. Printing and Stationery expenses of Rs. 45,000 relating to 2015-16 had not been provided in that year but was paid in this year by debiting outstanding liability for expenses.
 8. A provision for Bad Debt is to be created to the extent of 5% on Sundry Debtors. (15)
5. (a) Briefly explain the difference between treatment of Property, Plant and Equipment as per Indian GAAP (AS 6 and AS 10) and Ind AS 16. (7)
- (b) Why are Closing Entries required? Give four closing entries. (8)
6. Write short notes on **any three** of the following :
- (a) Limitations of Ratio Analysis
 - (b) Report on Corporate Governance
 - (c) Accounting Period
 - (d) Users of Accounting Information (3×5)

(800)

22/5/18

[This question paper contains 6 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 9538

Unique Paper Code : 61011204

Name of the Paper : Business Accounting

Name of the Course : **Bachelor of Management Studies (BMS), 2018 (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.
 3. **All** questions carry equal marks.
 4. All subparts of a question should be attempted together.
 5. Use of simple calculators is allowed.
1. (a) From the following information prepare a Comparative Balance Sheet for Bharti Airtel Limited :

BhartiAirtel		
Standalone Balance Sheet ----- in Rs. Cr. -----		
	Mar-17	Mar-16
EQUITIES AND LIABILITIES		
SHAREHOLDER'S FUNDS		
Share Capital	1,998.70	1,998.70
Reserves and Surplus	99,208.60	82,448.10
Total Shareholder's Funds	101,207.30	84,446.80
Total Non-Current Liabilities	54,613.90	49,600.20
Total Current Liabilities	34,920.40	27,891.80
Total Capital And Liabilities	190,741.60	161,938.80
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets	121,123.00	95,611.10
Non-Current Investments	45,959.00	43,026.10
Deferred Tax Assets [Net]	887.5	0
Long Term Loans And Advances	1,115.80	9,347.00
Other Non-Current Assets	3,985.40	2,548.90
Total Non-Current Assets	173,070.70	150,533.10
CURRENT ASSETS		
Current Investments	0	0.8
Inventories	3.9	5.3
Trade Receivables	3,211.80	3,793.00
Cash And Cash Equivalents	108.7	52.1
Short Term Loans And Advances	9,678.40	6,842.90
Other Current Assets	4,668.10	711.6
Total Current Assets	17,670.90	11,405.70
Total Assets	190,741.60	161,938.80

What conclusions can you draw from the information?

(6+5)

(i) Income tax provided during the year was Rs. 7,800.

(ii) Depreciation Rs.17,500 was charged to P& L account. (12)

(b) Why is a Cash Flow Statement prepared? (3)

Following is the Trial Balance of M/s Raghu Omkar as on 31st March, 2017. You are required to prepare a Trading and Profit & Loss Account for the year ended 31st March, 2017 and a Balance Sheet as at the same date after making necessary adjustments.

Particulars	Debit Balance (in Rs)	Credit Balance (in Rs)
Sundry Debtors and Creditors	5,50,000	2,50,000
Outstanding Liability for Expense	45,000	
Wages	1,20,000	
Carriage Outward	1,15,000	
Carriage Inward	60,000	
General Expense	70,000	
Cash Discount	22,000	
Bad Debt	12,000	
Motor Car	2,50,000	
Printing and Stationery	15,000	
Furniture & Fittings	1,10,000	
Advertisements	85,000	
Insurance	45,000	
Salesmen's Commission	85,000	
Postage & Telephone	60,000	
Salaries	1,60,000	
Rates & Taxes	25,000	
Drawings	20,000	
Capital		14,82,000
Purchases	15,50,000	
Sales		19,87,500
Stock as on 1 st April 2016	2,50,000	
Cash at Bank	60,000	
Cash in Hand	10,500	
TOTAL	37,19,500	37,19,500

- (b) What purpose do Common Size Statements serve?
Elaborate with examples. (4)

2. (a) Following is the summarised Balance Sheet of New Horizons Ltd. as on 31 316 :

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs. 10 each	10,00,000	Fixed Assets	20,00,000
10% Pref. Sh. of Rs.100 each	4,00,000	Investments	2,00,000
Reserves and Surplus	7,00,000	Closing Stock	2,00,000
15% Debentures	5,00,000	Sundry Debtors	4,60,000
Sundry Creditors	2,40,000	Bills Receivable	60,000
Bank Overdraft	1,60,000	Cash at Bank	60,000
		Preliminary Expenses	20,000
TOTAL	30,00,000	TOTAL	30,00,000

Summarised Profit and Loss Account is as under for the year ending on 31 316 :

	Rs.
Sales (25% Cash sales)	80,00,000
Less: Cost of goods sold	56,00,000
Gross Profit	24,00,000
Net profit (Before interest and tax 50%)	9,00,000

Calculate and suitably interpret the following ratios: (1) Rate on Return on Capital Employed (2) Debt Equity Ratio (3) Capital Gearing Ratio (4) Return on Shareholders' Funds (5) Earnings per Share. (10)

- (b) Briefly explain the ratios used to evaluate the short-term solvency of a business. Take suitable examples. (5)

3. The Balance Sheet of Safe Tech Ltd as on 31.12.2017 is as follows :

PARTICULARS	Note No.	31.12.16 (Rs.)	31.12.17 (Rs.)
I. Equity and Liabilities:			
1. Shareholders' funds			
a) Share Capital		2, 10,000	3, 70,000
b) Reserves and Surplus			
(i) Reserve		80,000	1,50,000
(ii) P & L A/c		2,80,000	3, 80,000
2. Non-current Liabilities			
10% Debentures		1,00,000	2,50,000
3. Current Liabilities			
Trade payables		60,000	37,000
Provision for tax		7,000	8,000
Total		7, 37,000	11, 95,000
II. Assets			
1. Non-current Assets			
(a) Fixed assets			
(i) Tangible Assets			
Plant and Machinery		1,94,000	1,76,500
(ii) Intangible Assets			
Goodwill		30,000	45,000
(b) Non-Current Investments		2,00,000	6,83,500
(c) Other Non-Current Assets			
Discount on Issue of Shares		14,000	20,000
2. Current Assets			
a) Inventories		1,40,000	82,000
b) Trade Receivables		76,000	1,58,000
c) Cash and Cash Equivalents		83,000	30,000
Total		7, 37,000	11, 95,000

After taking the following information into account, prepare a Cash Flow Statement as per Revised AS-3, for the year ending 31.12.2017 :