

[This question paper contains 4 printed pages.]

Your Roll No.....

**Sr. No. of Question Paper** : **6824**  
**Unique Paper Code** : **61011204**  
**Name of the Paper** : **Business Accounting**  
**Name of the Course** : **Bachelor of Management Studies (BMS),  
2023 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 Questions** carry equal marks.
3. The Question paper contains **5** Questions.
4. Attempt **all** Questions.
5. Use of Simple Calculator is allowed.

P.T.O.

Q 1 Prepare Trading account, Profit & Loss account and Balance Sheet for M/s Kapil & Sons for the year ending on March 31, 2023 after giving effect to the adjustments: 15

**Trial Balance as on March 31, 2023**

Account	Amount (in Rs.)	
	Debit	Credit
Capital		21,70,000
Cash in hand	36,400	
Cash at Bank	2,70,000	
Purchase and Sales	9,00,000	20,14,000
Wages	3,52,000	
Power and Fuel	29,700	
Salaries	1,32,000	
Freight	99,000	
Stock	2,85,000	
Building	6,60,000	
Machinery	9,90,000	
Furniture	55,000	
Debtors and Creditors	4,92,600	8,40,000
General Expense	75,000	
Bad debts	6,600	
Bills Payable		1,46,500
Drawings	1,50,000	
Provision for doubtful debt		10,000
Returns		11,000
Discount	3,200	
Loan (@ 18% p.a.	6,00,000	
Factory Lighting	58,600	
<b>Total</b>	<b>51,95,100</b>	<b>51,95,100</b>

Adjustments: Stock is valued at Rs 3, 00,000 as on 31-3-2023; depreciate Building @ 10% p.a., Furniture @ 20% p.a., Machinery @ 12% p.a.; create a provision for doubtful debts @ 10%. Wages Rs 20,000 remained unpaid and general expenses were prepaid to the extent of Rs 5,000.

Q 2 Write short notes on:

15

- (a) Money measurement concept
- (b) Materiality convention

Q 3 Record the following transactions in the General Journal of M/s Shilpi Accessories during a month.

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- (i) Invested Rs 10,00,000 in new business: furniture worth Rs 4,40,000 and the balance in bank account.
- (ii) Purchased goods from M/s Divya Traders worth Rs 1,50,000. 10% of the amount was paid by cheque immediately.
- (iii) Sold goods worth Rs 72,000 for cash discount of 2%.
- (iv) Paid salary to workers Rs 30,000.
- (v) Paid electricity charges by cheque Rs 8,500.
- (vi) Sales commission paid to agents amounted to Rs 6,000.

Q 4 Following information is provided relating to Amayra Ltd:

Particulars	Amount (in Rs)
Equity Share Capital (of Rs 2 each)	5,00,000
Gross profit	22,00,000
Fixed Assets	14,80,000
Current Assets	10,20,000
Current Liabilities	7,00,000
10% Debentures	5,00,000
General Reserve	5,75,000
Net Sales	50,00,000
Earnings before Interest and Tax	13,50,000
Interest on Debentures	50,000

Calculate the following ratios and interpret their meaning:

15

- (a) Debt equity ratio
- (b) Current ratio
- (c) Fixed assets turnover ratio
- (d) Interest coverage ratio
- (e) Gross Profit ratio

Q 5 Nirman Ltd earned a profit of Rs 4,00,000 after giving effect to the following items: 15

Items	Amount (in Rs)
Depreciation on fixed assets	50,000
Loss on sale of furniture	6,000
Amortization of development cost	16,000
Provision for doubtful debts	4,800
Provision for taxation	80,000
Transfer to General Reserve	40,000
Gain on sale of Machinery	18,000

Additional information given includes:

	31-03-2022	31-03-2023
Trade Receivables	1,80,000	2,00,000
Trade Payables	82,000	1,20,000
Outstanding expenses	10,000	2,000
Prepaid expenses	--	4,000

Calculate the Cash from Operations for the year ended 31-03-2023.

OR

Explain the need for convergence of Indian accounting standards with IFRS. What are the benefits of this convergence to the economy, industry and investors?

15