

IMBA ITF Sem.-1 Examination

MDC-ITF-114

Accounting for Mgmt

January-2024

Time : 2-00 Hours]

[Max. Marks : 50

(Q-1) Select the correct answer from the following options are given (10 Marks)**{Each question carries 1 mark}**

1. The person or the business from goods is purchased on credit is called _____.
 - a. Creditor
 - b. Debtor
 - c. Partner
 - d. Proprietor
2. Which type of account is Depreciation Account?
 - a. Personal
 - b. Real
 - c. Nominal
 - d. A & B both
3. Goods of Rs. 5000 purchased at 10% Trade discount and at 5% Cash discount from sheetal, what amount will be credited to bank account?
 - a. 5000
 - b. 4500
 - c. 5500
 - d. No effect will be passed to bank account
4. In company final accounts under which heading Gratuity fund will be shown.
 - a. Reserves and surplus
 - b. Long term provisions
 - c. Loans. and advances to asset side
 - d. Short term provisions
5. Bad debts Reserve is _____ for business
 - a. Provision
 - b. Revenue expense of financial year
 - c. liability
 - d. contingent liability
6. Purchase Stock of goods at the end of the year is Rs. 50,000, market value of 10% stock is 20% less while 20% stock is valued at 10% more, what amount will be shown in final accounts?
 - a. 50,000
 - b. 49,000
 - c. 51,000
 - d. 48,000
7. To find out liquid assets following asset is deducted from total current assets.
 - a. Prepaid expenses
 - b. Preliminary expenses
 - c. Closing stock
 - d. Bank balance
8. Under which heading commission and bonus to staff is shown in company final accounts?
 - a. Financial expenses

- c. Current liabilities
d. Other expenses
9. Interest received on investment of provident fund is recorded at _____ in final accounts.
- a. Credit side of Profit & loss A/c
b. Debit side of Trading account
c. Deducted from Provident fund at liability side
d. In Balance sheet as Liability
10. As per information of a company for the year 2022, sales is Rs. 6,00,000 and cost of goods sold is Rs. 4,50,000 compute gross profit ratio?
- a. 25%
b. 33.33%
c. 60%
d. 75%

(Q- 2) The following is the Trial Balance of M/s Malti Enterprise as on 31-03-2023.

Debit balances	Amount Rs.	Credit balances	Amount Rs.
Drawings	16,500	Capital	87,500
Purchases	52,500	Purchase return	2500
Stock(1-4-22)	25,000	Sales	1,02,000
Sales Return	2000	Bank loan	9500
Wages	5000	Bills payable	6000
Advertisement	4000	Creditors	23,000
Office expenses	1500	Dividend	300
Rent	3750	Discount	800
Discount	2500		
Stationery and printing	500		
Investment in shares	1500		
Carriage outward	1500		
Carriage inward	2000		
Goodwill	15,000		
Debtors	25,000		
Interest on bank loan	1500		
Salesmen commission	2000		
Lease hold factory (for 6 years from 1-04-22)	30,000		
Machines (Factory)	20,000		
Bills Receivable	5000		
Bank balance	11,000		
Cash on hand	3850		
	2,31,600		2,31,600

Adjustments:

- Closing stock of goods is Rs. 43,500.
- Write off Rs. 1000 as bad debts from debtors.
- Depreciate Machines at 5% p.a.
- Calculate interest on capital at 10% p.a. and Rs. 500 as interest on drawings.

From the above information, prepare final account of M/s Kranti Enterprise for the year endi on 31/03/2023. (10 Marks)

(Q-3) Bhavna patel has commenced business with a name of 'Patel Stores', following are some transactions of the firm, from them draw the necessary accounts the ledger and post them accordingly. (10 Mark)

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1. Business commenced with Rs. 60,000 cash, and loan of Jay Rs. 60,000.
2. Goods of Rs. 8000 purchased at 10% Trade discount and 5% Cash discount.
3. Withdrawn goods of Rs. 600 and cash Rs. 500 from business for personal use.
4. Salary paid Rs.1500 to clerk Vijay.
5. Shop rent Rs. 1200 and house rent Rs. 800 paid by cash
6. Goods of Rs. 1100 is distributed as free sample.

(Q-4) Trial Balance of Ramchandra limited As on 31-03-2023 is as under.

Particulars	Debit (Rs.)	Credit (Rs.)
Equity share capital		7,00,000
Costs of goods consumed	11,00,000	
Sales		16,00,000
8% Bonds		3,00,000
Trademarks	1,50,000	
Carriage inward	16,000	
Interest on bonds	24,000	
Bank overdraft		40,000
Inventories	2,30,000	
Rent		10,000
Outstanding rent	10,000	
Debtors	1,70,000	1,00,000
Trade payables		1,10,000
Bank-cash	1,50,000	
Salary	60,000	
Bonus	20,000	
Non-current investments	80,000	
Workers accident compensation fund		30,000
Gratuity fund		15,000
Bills receivable	90,000	
Short term loan		25,000
Unpaid interest on bonds		24,000
Machinery	4,00,000	
Depreciation	40,000	
Investment in shares(for more than 1 year)	2,50,000	
Investments in shares (for less than 1 year)	64,000	
	28,54,000	28,54,000

From above information, prepare final accounts of company for the yearending on 31-03-2023 as per company act 2013. (10 marks)

Particulars	Note	Rs.
I. EQUITY AND LIABILITIES:		
(1) Shareholders' Funds:		
(a) Share Capital :		10,00,000
Equity Share of Rs. 10 each		4,00,000
10% preference shares of Rs. 100 each		7,00,000
(b) Reserve and Surplus		
(2) Non-Current Liabilities:		5,00,000
(a) Long Term Borrowing : 10 % Debenture		
(3) Current Liabilities:		
(a) Trade Payables :		2,40,000
Creditors		40,000
Bill Payable		
(b) Other Current Liabilities :		1,60,000
Bank overdraft		20,000
Unpaid Expenses		
Total		<u>3,60,000</u>
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets :		
(i) Tangible Assets:		7,00,000
Plant Machinery		1,00,000
Furniture		20,000
(b) Other Non-Current Assets : Preliminary Expenses		
(2) Current Assets:		2,00,000
(a) Short term Investment		2,00,000
(b) Inventories : Stock		
(c) Trade Receivable :		4,60,000
Debtors		60,000
Bill Receivables		30,000
(d) Cash and Cash Equivalents : Cash Balance		
Total		<u>3,60,000</u>

Summarised Profit and loss statement for the year ending on 31/03/2019:

Particulars	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
Less: 10 % Debenture interest	50,000
Profit before tax	8,50,000
- 50 % taxes	4,25,000
Net Profit (after interest and tax)	4,25,000
Credit Purchase	55,00,000
Opening Stock	3,00,000

- (01) Current Ratio
- (02) Liquid Ratio
- (03) Gross Profit Ratio
- (04) Net Profit Ratio
- (05) Stock Turnover
- (06) Debtors Ratio
- (07) Creditors Ratio

OR

Q-5 The following are the summarized Balance Sheets for two years. You are required to rearrange them in the form suitable for computing ratios:

Particulars	Note	31/03/2018 Rs.	31/03/2019 Rs.
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital :			
Equity Share of Rs. 100 each		1,00,000	1,50,000
10 % Pref. shares of Rs. 100 each.		50,000	50,000
(b) Reserve and Surplus		2,00,000	1,50,000
(2) Non-Current Liabilities:			
(a) Long Term Borrowing			
6 % Debenture		1,00,000	1,00,000
(3) Current Liabilities:			
(a) Trade Payables :		80,000	1,20,000
(b) Short Term Provisions :			
Proposed Dividend		20,000	20,000
Total		<u>5,50,000</u>	<u>5,90,000</u>
II. ASSETS:			
(1) Non-Current Assets:			
(a) Fixed Assets Less Depreciation		3,50,000	4,90,000
(2) Current Assets:			
(a) Inventories : Stock		1,50,000	60,000
(b) Trade Receivable : Debtors		40,000	35,000
(c) Cash and Cash Equivalents : Cash		10,000	5,000

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From the above information, you are required to calculate the following ratios and comment on financial position of the company:

(10 mark)

- (01) Current Ratio
- (02) Liquid Ratio
- (03) Acid-Test Ratio
- (04) Proprietary Ratio
- (05) Long term funds to Fixed Assets Ratio
- (06) Earnings per Share

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