

## Master of Commerce Examination: September/October - 2022 (Distance Education)

Day & Date	Semester	Subject Name	Time	Code	Marks
Wednesday 28-09-2022	I (Fresh)	Basics of Accounting (Option for CBCS)	11:00 AM To 02:10 PM	110055	75

**Instructions: 1) Attempt any Three out of Five Questions.  
2) Figures to right indicate Marks.**

**Q.1 a) From the following transaction, show the accounting equation: 10**

- 1) Nilam started the business with cash of Rs 60,000
- 2) Deposited cash into Bank of India Rs 2000
- 3) Additional capital bought by Nilam Rs 7000
- 4) Purchased goods from Verma worth Rs 10,000
- 5) Sold goods to Salma for Rs 7000
- 6) Paid carriage of Rs 5000
- 7) Received Interest of Rs 200

**b) The following is the Balance Sheet of Samarth Ltd. as on 31<sup>st</sup> March 2020. 15**

Liabilities	Amt.	Assets	Amt.
Equity share capital	12,00,000	Fixed Assets	20,00,000
Reserves & Surplus	10,00,000	Investment	5,00,000
Debentures & Bonds	7,00,000	Stock	1,50,000
Sundry Creditors	1,00,000	Debtors	1,50,000
		Cash	1,20,000
		Receivables	80,000
	<b>30,00,000</b>		<b>30,00,000</b>

Gross profit is Rs 7,50,000 and Annual sales is Rs 70,00,000.  
You are required to calculate the following ratios for the year 2020.

- 1) Debt-equity ratio
- 2) Current ratio
- 3) Proprietary ratio
- 4) Debtors turnover ratio
- 5) Gross Profit ratio

**Q.2 Journalise the following transactions in the books of Rajwade Trading Company. 25**  
**2018**

- June 1** Started business with cash Rs 1,00,000, Bank Balance Rs 2,00,000 and Building Rs 2,00,000,
- June 3** Purchased goods from Ram of Rs 50,000 at 18% GST.
- June 5** Sold goods to Rakesh of Rs 70,000 at 18% GST for cash.
- June 7** Paid for repairs Rs 5,000
- June 10** Placed an order with Ranveer and Sons for goods Rs 60,000 at 12% GST.
- June 15** paid for wages Rs 15,000.
- June 18** Purchased goods from Mohan for Rs 10,000 for 12% GST.

- June 20** Paid for conveyance expenses of Rs 7,000.
- June 21** Paid by ECS cash to Amit Rs 58,500 who allowed us a discount of Rs 1,500.
- June 24** Bought goods from Tushar and Company Ltd of Rs 1,20,000 at 12% GST and paid half of the amount by cheque,
- June 25** Purchased goods from Kishor of Rs 50,000 at 28% GST and paid half the amount by cheque.
- June 30** Purchased machinery of Rs 50,000 at 18% GST and half the amount paid immediately by the cheque.
- June 31** Withdrew from bank Rs 10,000 for personal use.

**Q.3** From the following trial balance of Abdul Traders, you are required to prepare a Trading account, Profit & Loss account, and Balance Sheet for the year ended 31<sup>st</sup> March 2019. **25**

**Trial Balance as on 31<sup>st</sup> March 2019**

Debit Balance	Amount (Rs.)	Credit Balance	Amount (Rs.)
Salaries	10,000	Interest received	2,400
Purchases	71,400	Capital	1,60,000
Rent (11 months)	2,200	Sales	85,000
Machinery	56,000	Provision for bad debts	2,000
Advance against wages	4,000	Commission received	1,600
Opening stock	20,000	Bills payable	9,200
Bad debts	1,000	Sundry creditors	56,000
Prepaid insurance	2,400		
Wages	2,600		
Loose tools	26,000		
Commission paid	400		
Sundry debtors	64,000		
Cash	1,000		
Bank	3,000		
Drawings	7,600		
Freight inward	1,000		
Bills receivables	13,600		
Loan to Aruna	30,000		
	<b>3,16,200</b>		<b>3,16,200</b>

Adjustments:

- The closing stock was valued at Rs 89,600.
- Outstanding expenses Salaries Rs 2,000, wages Rs 4,000.
- Charge depreciation on Machinery @ 10%.
- Bad debts are written off Rs 2,000 and create a provision for bad and doubtful debts 5% on sundry debtors.

**Q.4** a) On 31<sup>st</sup> March 2018, the Bank Pass Book of Mr. Ravi showed a credit balance of Rs 16,700. Prepare a Bank Reconciliation Statement with the following information. **09**

- Cash of Rs 8,500 drawn from his savings account has been shown in the current account in the cash book.

- 2) Cheques amounting for Rs 27,000 were deposited into the bank for collection, out of which cheques amounting to Rs 23,000 were only credited up to 31<sup>st</sup> March 2018.
- 3) Cheques of Rs 40,500 were issued on 25<sup>th</sup> March 2018, of which only one cheque of Rs 1,500 was presented for payment on 30<sup>th</sup> March 2018.
- 4) Bill receivable of Rs 11,700 which was discounted with the bank was dishonored on 30<sup>th</sup> March 2018. The imitation was received on 5<sup>th</sup> April 2018.
- 5) Passbook debit side was overcast by Rs 300.
- 6) Interest allowed by the bank Rs 800 appeared in the passbook only.

**b) Give an accounting equation for the following transactions. 08**

- 1) Mr. Sunil started the business with cash of Rs 10,000
- 2) Purchased machinery for office use for Rs 15,000
- 3) Purchased goods of Rs 9,000 from Anil.
- 4) Sold goods to Sunita and traders for Rs 12,400.
- 5) Received interest on bank deposits worth Rs 660.
- 6) Paid telephone bill amounting to Rs 1,330
- 7) Paid Insurance claim of Rs 2,700

**c) The following details are of Mayuresh and Traders Ltd. for the year ended 31<sup>st</sup> March 2017. Prepare Vertical Income Statement for the following. 08**

Sales	5,00,000
Purchases	70,000
Opening stock	1,20,000
Closing stock	60,000
Sales return	10,000
Selling and distribution expenses	22,000
Administrative expenses	80,000
Depreciation	13,000
Other charges	60,000
Provision for taxation	50,000
Non-operating Expenses	70,000
Non-operating Income	1,10,000

**Q.5 a) What are the Accounting Principles? Briefly explain the different Accounting Concepts. 10**

**b) Differentiate between Financial Accounting & Management Accounting? 15**