



**PRESIDENCY UNIVERSITY,
BENGALURU**

SCHOOL OF MANAGEMENT

SET A

MID TERM EXAMINATION

Odd Semester: 2018-19

Date: 23 October 2018

Course Code: FIN 101

Time: 2 Hours

Course Name: Accounting For Managers

Max Marks: 40

Branch & Sem: MBA I Sem

Weightage: 20%

Instructions:

- (i) *Calculators can be used*
- (ii) *Answer all parts of the question compulsory*

Part A

Answer **all** the Questions. **Each** question carries **four** marks.

(3x4=12)

1. a) State the accounting equation and explain
b) Expand GAAP and state two accounting principles.
2. a) Name the four financial statements
b) Give any four qualitative characteristics of accounting information.
3. a) State the two types of assets and give two examples for each type of assets.
b) State the two types of liabilities and give two examples for each type of liabilities.

Part B

Answer **all** the Questions. **Each** question carries **eight** marks.

(2x8=16)

4. Frontier Park was started on April 1 by M. Preston. The following selected events and transactions occurred during April.

Apr. 1 Preston invested ₹35,000 cash in the business.

4 Purchased land costing ₹27,000 for cash.

8 Incurred advertising expense of ₹1,800 on account.

11 Paid salaries to employees ₹1,500.

12 Hired park manager at a salary of ₹4,000 per month, effective May 1.

13 Paid ₹1,650 cash for a one-year insurance policy.

17 Withdrew ₹1,000 cash for personal use.

20 Received ₹6,800 in cash for admission fees.

25 Sold 100 coupon books for ₹25 each. Each book contains 10 coupons that entitle the holder to one admission to the park.

30 Received ₹8,900 in cash admission fees.

30 Paid ₹900 on balance owed for advertising incurred on April 8.

Frontier Park uses the following accounts: Cash, Prepaid Insurance, Land, Accounts Payable, Unearned Service Revenue, Owner's Capital, Owner's Drawings, Service Revenue, Advertising Expense, and Salaries and Wages Expense.

Instructions

Prepare the transaction analysis of the above firm for the month of April.

5. The accounts in the ledger of Moran Delivery Service contain the following balances on July 31, 2017.

Accounts Receivable ₹ 5,220, Prepaid Insurance ₹ 1,190, Accounts Payable 5,110
Maintenance and Repairs Expense 580, Cash ?, Service Revenue 6,360, Equipment
30,000, Owner's Drawings 420, Gasoline Expense 450, Owner's Capital 26,780, Insurance
Expense 310, Salaries and Wages Expense 2,660, Notes Payable 16,000 Salaries and
Wages Payable 490

Instructions

Prepare a trial balance with the accounts arranged in the correct order and fill in the missing amount for Cash.

Part C

Answer the Question. Each question carries **twelve** marks.

(1x12 =12)

6. Tony Vian owns and manages a computer repair service, which had the following trial balance on December 31, 2016 (the end of its fiscal year).

VIAN REPAIR SERVICE		
Trial Balance		
December 31, 2016		
	Debit	Credit
Cash	₹ 8,000	
Accounts Receivable	15,000	
Supplies	13,000	
Prepaid Rent	3,000	
Equipment	20,000	
Accounts Payable		₹19,000
Owner's Capital		40,000
	<hr/>	<hr/>
	Rs.59000	Rs.59000
	<hr/>	<hr/>
	<hr/>	<hr/>

Summarized transactions for January 2017 were as follows.

1. Advertising costs, paid in cash, ₹1,000.
2. Additional supplies acquired on account ₹4,200.
3. Miscellaneous expenses, paid in cash, ₹2,000.
4. Cash collected from customers in payment of accounts receivable ₹14,000.
5. Cash paid to creditors for accounts payable due ₹15,000.
6. Repair services performed during January: for cash ₹6,000; on account ₹9,000.
7. Wages for January, paid in cash, ₹3,500.
8. Tony's drawings during January were ₹3,000.

Instructions

- (a) Open T-accounts for each of the accounts listed in the trial balance, and enter the opening balances for 2017. (3 marks)
- (b) Prepare journal entries to record each of the January transactions. (Omit explanations.) (3 marks)
- (c) Post the journal entries to the accounts in the ledger. (Add accounts as needed.) (3 marks)
- (d) Prepare a trial balance as of January 31, 2017. (3 marks)



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SET B

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Date: 23 October 2018

Course Code: FIN 101

Time: 2 Hours

Course Name: Financial Accounting for Managers

Max Marks: 40

Branch & Sem: MBA I Sem

Weightage: 20%

Instructions:

(i) *Use of calculator is allowed*

Part A

Answer **all** the Questions. **Each** question carries **four** marks.

(3x4=12)

1. Sibbon Limited is dealing in medicines. At the end of year on 31st March, 2018, medicines costing Rupees 50,000 is lying as closing stock. The market value of those medicines rose to Rupees 80,000 due to scarcity of medicines in the market. The Accountant wants to record the closing stock at market value. He is of opinion that market value will better represent the financial performance and position.
 - a) Which accounting principle will be violated if medicines are valued at market price and why? In your opinion what should be right treatment in above case?
 - b) Explain the accounting principle referred to in above case.

2. Green Juice Traders was following Straight line method of depreciation for its fixed assets up to year 2015-16. However, from year 2016-17, it shifted to diminishing balance method of charging depreciation. The newly appointed accountant is of view that straight line method is more suitable for its simplicity and fund generating capacity for replacement.
 - a) Which accounting principle will be violated if straight line method is adopted from current year? Under what circumstances a new method may be adopted by replacing the old one?
 - b) Explain the accounting principle referred to in above case.

3. "Owner's Equity is shown as liability in business"

- Explain the underlying accounting principle followed in above statement
- What will be the accounting treatment when owner makes payment of his personal electricity bill from the bank account of business?

Part B

Answer the Question. **This** question carries **twelve** marks. (1x12=12)

4. Following transactions relate to Mehra & Sons for the month of April, 2018

Date	Transactions
1-Apr	Commenced business with Cash ₹ 4,00,000 and Furniture ₹ 1,00,000
5-Apr	Bought goods for Cash ₹ 60,000
7-Apr	Bought goods on credit from Ranjan ₹ 40,000
10-Apr	Sold goods for Cash ₹ 1,00,000
15-Apr	Sold goods on credit to Hari ₹ 60,000
20-Apr	Paid Ranjan ₹ 39,000 in full settlement of his claim
25-Apr	Received ₹ 58,000 from Hari in full settlement of his claim
28-Apr	Uninsured goods costing ₹ 10,000 destroyed by fire
29-Apr	Goods costing ₹ 5,000 was drawn by proprietor for his personal use
30-Apr	Salary due for the month of April but not paid ₹ 7,000

You are required:

- Pass Journal entries for above transactions
- Post them into Ledger
- Prepare Trial Balance

Part C

Answer all the Questions. (2x8=16)

5. Following are the transactions of Kumayu Traders for the month of April, 2018

(8 Marks)

Date	Transactions	Amount (₹)
1-Apr	Started business with cash	2,00,000
5-Apr	Purchased goods for cash	60,000
6-Apr	Cash drawn from business for personal purposes	20,000

7-Apr	Goods distributed as free samples	10,000
8-Apr	Sold goods costing ₹ 20,000 at a profit of 20% on selling price	
9-Apr	Purchased old Typewriter for Cash	15,000
12-Apr	Goods costing Rs.10,000 lost by fire	10000
18-Apr	Dividend received	10,000
25-Apr	Paid rent	5,000
28-Apr	Charged 20% depreciation on typewriter	
29-Apr	Purchased Building on credit from John	2,00,000
30-Apr	Paid to John as part payment	50,000
30-Apr	Rent due but not paid for the month of April	20,000

You are required to prepare Transaction analysis for the above transactions for the month

6. a) Hari is dealing in readymade garments for the last eight years. His Assets stood at ₹ 1,00,000 and Liabilities at ₹ 46,000 on 31st March, 2018. His books of accounts are lost by fire. However, he could recover the following figures.

(4 Marks)

Financial year	Opening Capital	Profit/(Loss) of the year	Drawings made during the year	Fresh Capital introduced during the year	Closing Capital
2010-11	?	?	4000	12000	34000
2011-12	?	-2000	1000	10000	?
2012-13	?	3000	2000	5000	?
2013-14	?	-5000	3000	13000	?
2014-15	?	2000	2000	11000	?
2015-16	?	4000	5000	6000	?
2016-17	?	3000	4000	8000	?
2017-18	?	-11000	12000	2000	?

You are required to complete the above table of figures to help him to know the financial performance of his business.

6. b) Shyam & Sons started business with Assets ₹ 1,00,000 and Loan ₹ 60,000 on 1st April, 2017. During the year he made a drawing of ₹ 10,000 and introduced an additional capital of ₹ 50,000. He also repaid loan amounting to ₹ 20,000. If his assets stood at ₹ 2, 00,000 at the end of year 31st March, 2018, you are required to find his profit made during the year.

(4 Marks)



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Course Code: FIN 101

Time: 2 Hours

Course Name: Financial Accounting for Managers

Max Marks: 40

Branch & SEM: MBA & I Sem

Weightage: 20%

Instructions:

(i) Write legibly and be as concise as possible.

Part A

Answer **all** the Questions. **Each** question carries **four** marks.

(3x4=12)

1. What do you mean by accounting concepts and principles?
Explain any three of them:
2. On 1st April 2009, Ms Saritha had invested Rs. 1,00,000 in 100 shares of Suman limited . on 31st March 2010, she sold all the shares for Rs. 1,20,000. During the year the Company paid dividend of Rs.50 per share. Calculate the return earned by Saritha on her investment.
3. What are the classification of Account? State the principles of debit and credit for each classification.

Part B

Answer the Questions. **Each** question carries **twelve** marks.

(1x12=12)

4. Journalize the following transactions under double - entry book –keeping system (Dr & Cr)
 - a) Mr. Tiwary starts his business with a capital of Rs.30,000. He brings this amount in cash –
 - b) Mr. Tiwary deposits Rs.20,000 in bank.
 - c) He purchases goods for each Rs.5,000 from XYZ Traders Ltd.
 - d) He sells goods to A. P. Ltd for each Rs.2,000
 - e) Business expenses paid – Rent Rs.11,000; Salaries Rs.15,000; Advertisements Rs. 6,000 payment was by cheque.
 - f) Paid wages of Rs.1,200 for installation of a machine.
 - g) Goods sold to AB & Sons in credit Rs.15,000.
 - h) Paid Rs.2,000 for petrol of office car.

Part C

Answer the Questions. Questions carry **eight** marks (2x8=16)

5. ABC Co. Commenced on 1st January 2010 with a cash balance of Rs.2000 as capital. He had the following cash transaction for January 2010. Prepare the cash book

Jan 1	Purchase furniture	Rs.200
Jan 2	Purchase Goods	Rs.300
Jan 4	sold goods	Rs.400
Jan 6	Paid B & Co.	Rs.500
	allowed in discount	Rs.20
Jan15	Received from C & Co.	Rs.600
	Allowed discount	Rs.30
Jan 20	Purchased calculator	Rs.200
Jan 31	Paid salaries	Rs.500

6. What do you understand by Trial balance?

From the following ledger balance, you are required to prepare a Trial balance as on 31.12.2009

Sl.No	Particulars	Amount in Rs.
1.	Cash on hand	7000
2.	Account receivables	3000
3.	Office suppliers	3000
4.	Purchase of office equipment	5000
5.	Receipt of Bank loan	5000
6.	Accounts payables to creditors	1000
7.	Common stocks & shares	10000
8.	Receipts of consulting revenue	7000
9.	Rent expenses	600
10.	Salaries expense	2500
11.	Supplies used	1200
12.	Utilities expenses	700



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SET B

MID TERM EXAMINATION

Odd Semester: 2018-19

Date: 24 November 2018

Course Code: FIN 101

Time: 2 Hours

Course Name: Financial Accounting for Managers

Max Marks: 40

Branch & SEM: MBA & I Sem

Weightage: 20%

Instructions:

- (i) Write legibly and be as concise as possible.

Part A

Answer **all** the Questions. **Each** question carries **four** marks. (3x4=12)

1. What do you mean by GAAP? What is included in this?
2. State the Accounting equation: explain the following principles of accounting a) Consistency principle) entity concept and c)Accrual concept
3. What are the Constituents of financial Statements.

Part B

Answer the Questions. **Each** question carries **six** marks. (1x12=12)

4. a) Group the following items into Assets, Liabilities, equity, income and expence.

i) Capital	Rs. 10,000
ii) Withdrawal by the owner	Rs.1,00,000
iii) Land	Rs.5,00,000
iv) Building	Rs. 5,00,000
v) Sales	Rs.20,00,000
vi) Purchases	Rs.12,00,000
vii) Interest received	Rs.50,000
viii) Wages	Rs.40,000
ix) Salaries	Rs.1,20,000
x) Insurance claim receivable	Rs.30,000
xi) Furniture and fixture	Rs.1,50,000
xii) Prepaid expenses	Rs.50,000

(6 Marks)

- b) State the classification of Accounts, with debit and credit rules for each classification

(6 Marks)

Part C

Answer the Questions. Questions carry **eight** marks

(2x8=16)

5. A & Co. commenced business on 1st January 2010 The company had the following cash transactions for Jan 2010. Prepare the cashbook

Jan 1, Cash in hand	Rs.1000
Jan 6, Received from B & Co.	Rs.600
Jan 10 Paid Rent	Rs.500
Jan 15 Sold good for each	Rs.2000
Jan 27 Purchased Furniture for cash	Rs.1200
Jan 31 Paid Salaries	Rs.800

6. From the following ledger balances, you are required to prepare a Trial balance as on 31.12.2009

Sl.No	Particulars	Amount in Rs.
1.	Purchases	60,000
2.	Reserve Fund	20,000
3.	Sales	1,00,000
4.	Purchase returns	1000
5.	Sales return	2000
6.	Opening Stock	30000
7.	Expenses	20,000
8.	Outstanding expenses	2000
9.	Bank balance	5000
10.	Assets	50,000
11.	Debtors	80,000
12.	Creditors	30,000
13.	Capital	94,000



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**PRESIDENCY UNIVERSITY
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SCHOOL OF MANAGEMENT

SET A

END TERM FINAL EXAMINATION

Odd Semester: 2018-19

Date: 28 December 2018

Course Code: FIN 101

Time: 3 Hours

Course Name: Financial Accounting for Managers

Max Marks: 80

Programme & Sem: MBA & I Sem

Weightage: 40%

Instructions:

- (i) *Answer all the questions*

Part A

Answer **all** the Questions. **Each** question carries **four** marks. (5Qx4M=20)

1. Explain the significance of adjusting accounting entries and give examples of 3 types of adjusting entries.
2. Describe the objectives of ratio analysis and main classifications of ratios for financial analysis.
3. Vision Industries paid 30,000 for 12 month property insurance policy on 1st June 2017. Pass the journal entry for the payment and the adjusting entry to reflect insurance expense as on 31st March 2018.

4. Describe the business transactions pertaining to the following journal entries:

A, Cash	Dr. 20,000
To Unearned Revenue	20,000
B Unearned Revenue	Dr. 10,000
To Sales Revenue	10,000

5. Describe types of solvency ratios with 2 examples.

Part B

Answer **all** the Questions. **Each** question carries **ten** marks. (3Qx10M=30)

6. A. Prepare all adjusting journal entries for the year ending 31/3/2017 from the information given below.
B. Prepare Adjusted Trial Balance as on 31/3/2017. (10 marks)

Accent Industries Unadjusted Trial Balance March 31, 2017		
	Debit₹	Credit
Cash	75,000	
Accounts Receivable	35,000	
Prepaid Rent	24,000	
Supplies	15,000	
Equipment	42,000	
Accumulated depreciation		6,000
Unearned revenue		10,000
Notes Payable		12,000
Equity Share Capital		50,000
Retained Earnings, 1/4/2016		45,800
Service Revenue		105,000
Depreciation Expense		
Advertising Expense	12,000	
Salaries Expense	11,800	
Interest expense		
Rent Expense		
Dividends	14,000	
Total	228,800	228,800

Additional Information:

- Rent expenses are paid in advance and charged at Rs.1,000 per month.
 - Depreciation on equipment is Rs 2,000 per annum on straight-line method.
 - Interest on the 6% promissory note is due but not paid.
 - Out of Rs 10,000 received in advance from customer, performed services for Rs 8,000 during the year
 - Received utility bill to be paid in April 2018 for Rs 2,500.
 - Services to customers earned but not recorded at March 31/3/2017 is Rs. 12,000
7. From the following Balance sheet and Income Statement, compute the liquidity ratios for 2017:

(10 marks)

BALANCE SHEET

ASSETS	2017	2016	
Current Assets			
Cash	5,000	4,600	
Accounts Receivable	12,000	10,000	
Inventory	18,000	35,000	28,000
Non Current Assets	90,000		65,000
LIABILITIES			
Current Liabilities	15,000		12,500
Share Capital	45,000		43,000
Retained Earnings	10,000		8,000

Long Term Loans 55,000 29,500

INCOME STATEMENT	2017	2016
Sales or Revenues	2,00,000	1,50,000
Less: Cost of Goods Sold	80,000	60,000
Gross Profit	1,20,000	90,000
Less: Operating Expenses	70,000	50,000
EBITDA	50,000	40,000
Less: Depreciation	3,000	4,000
EBIT or Operating Profit	47,000	36,000
Less: Interest Expense	5,000	3,000
EBT or Net Profit Before Taxes	42,000	33,000
Less: Taxes	14,000	11,000
Net Income	28,000	22,000
Dividends Paid	14,000	11,000
Addition to Retained Earnings	14,000	11,000

8. Prepare the Common sized Income statement and Balance Sheet for the two years based on the financial statements given in Question 7 above and comment on the analysis. (10 marks)

Part C

Answer **all** the Questions. **Each** question carries **ten** marks. (3Qx10M=30)

9. An Equipment was purchased for ₹ 500,000. The scrap value at the end of its expected useful life of 5 years is estimated at ₹ 50,000. Calculate the amount of depreciation and Net Book Value (NBV) for the five years using Straight Line Method. Also, calculate the depreciation charges and NBV for the machine for five years using reducing balance method at a rate of 40%.. Assume that the business owning the machine has made a profit before depreciation of ₹200,000 for each of the five years in which the asset was held. Calculate the profit after depreciation for each year under each depreciation method, and comment on your findings.

10. Prepare a statement of profit and loss for the year months ending 31/12/2017 and balance sheet as at 31/12/2017 from the following Adjusted Trial Balance

Relic Ventures Adjusted Trial Balance As on 31/12/2017		
	Debit₹	Credit
Cash	9000	
Accounts Receivable	7000	
Supplies	7000	
Equipment	20000	
Accumulated depreciation		3000
Unearned revenue		4500
Interest expense payable		500
Notes Payable		12000
Share Capital		9000
Service Revenue		20000
Depreciation Expense	1300	
Supplies Expense	2300	
Advertising Expense	450	
Salaries Expense	800	
Interest expense	450	
Dividends	700	
Total	49000	49000

11. Prepare the horizontal analysis Statements of the Income Statement and the Balance Sheet for the year 2018 as compared to the previous year and comment on the findings.

Income Statement

	2018	2017
Sales or Revenues	6,00,000	5,00,000
Less: Cost of Goods Sold	2,75,000	2,25,000
Gross Profit	3,25,000	2,75,000
Less: Operating Expenses	1,80,000	1,50,000
EBITDA	1,45,000	1,25,000
Less: Depreciation	23,000	25,000
EBIT or Operating Profit	1,22,000	1,00,000
Less: Interest Expense	32,000	34,000
EBT or Net Profit Before Taxes	90,000	66,000

Less: Taxes (30%)	27,000	33,000
Net Income	63,000	33,000
Dividends Paid	27,000	18,000
Addition to Retained Earnings	36,000	15,000

BALANCE SHEET

Assets	2018	2017
Cash	2,00,000	4,00,000
Short-Term Investments	7,00,000	6,00,000
Accounts Receivable	20,00,000	15,00,000
Inventory	26,00,000	23,00,000
Other Current Assets	10,00,000	9,00,000
Total Current Assets	65,00,000	57,00,000
Long-Term Assets	50,00,000	45,00,000
Total Assets	115,00,000	102,00,000
Liabilities		
Accounts Payable	10,00,000	7,00,000
Short-Term Debt	25,00,000	20,00,000
Total Current Liabilities	35,00,000	27,00,000
Long-Term Debt	30,00,000	30,00,000
Total Liabilities	65,00,000	57,00,000
Total Equity	50,00,000	45,00,000
Total Liabilities and Equity	115,00,000	102,00,000



Roll No.																			
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SET B

END TERM FINAL EXAMINATION

Odd Semester: 2018-19

Date: 28 December 2018

Course Code: FIN 101

Time: 3 Hours

Course Name: Financial Accounting For Managers

Max Marks: 80

Programme & Sem: MBA & I Sem

Weightage: 40%

Instructions:

(i) **Answer all the questions**

Part A

Answer **all** the Questions. **Each** question carries **four** marks.

(5Qx4M=20)

1. Explain closing entries?
2. Explain the significance of stock turnover ratio.
3. Distinguish between straight line method and written down value method
4. Explain the uses of price earnings ratio
5. What do you understand by prepaid expenses and outstanding expenses?

Part B

Answer **all** the Questions. **Each** question carries **ten** marks.

(3Qx10M=30)

6. a) Give adjusting entries for the following

i) XYZ Ltd received a 12 month subscription of Rs 2,400 for supply of magazine on Nov. 1 2018. As of Nov 30th the company provided one month's magazine amounting to 200

ii) The company provides service for Rs.5000 and billed the customer on 22 June,2018. The customer paid Rs.2500 on 30th June 2018

iii) On Jan 1st the company purchases a 12 month building insurance policy for Rs 48,000. Assume 31st march as the year end

iv) On July 1st, the firm signs a contract with a city planning department for Rs.60,000 to design a bridge. The design work will be done in equal monthly installments for last one year .The city pays the full amount in advance –on 1st July. Assume 31st march as the year end.

v) On Oct 1st the firm pays the insurance premiums on its fleet of cars for the next 6 months. The monthly premiums amounts to Rs, 300 for the year end 31st March. (5 M)

b).Following are the Income statements of a Company for the years ending December2016 and 2017 Prepare Common Size Income Statement and comment on their profitability

(5 M)

Particulars	2016	2017
Sales	5,00,000	7,00,000
Less Cost of sales	3,25,000	5,10,000
Gross Profit	1,75,000	1,90,000
Less Operating expenses	50,000	70,000
Operating Profit	1,25,000	1,20,000
Add Other Income	20,000	15,000
Less Other Expenses	25,000	30,000
Net Profit	1,20,000	1,05,000

7. ABC company's Financial Statements contain the following information:-

	2017	2018
Cash	2,00,000	1,60,000
Sundry Debtors	3,20,000	4,00,000
Short Term investments	2,00,000	3,20,000
Stock	18,40,000	21,60,000
Prepaid Expenses[28,000	12,000
Total current Assets	25,88,000	30,52,000
Fixed Assets	30,12,000	33,48,000
Total Assets	56,00,000	64,00,000
Current Liabilities	6,40,000	8,00,000
Loans	16,00,000	16,00,000
Capital	28,92,000	31,88,000
Retained Earnings	4,68,000	8,12,000
Total Liabilities	56,00,000	64,00,000

Income Statement of ABC Company for the current year

Particulars	Amount
Sales	40,00,000
Less Cost of Goods Sold	28,00,000
Less Interest	1,60,000
Net Profit	10,40,000
Less Taxes@50%	5,20,000
Profits After Tax	5,20,000
Dividends	2,20,000

From the above you are required to calculate a) Current Ratio, b) Quick ratio c) Inventory Turnover ratio d) Net Profit Ratio e) Return on shareholders' Funds. (10 M)

8. a) The following information is extracted from the books of Anil Ltd .Find out the inventory turnover ratio

Cash sales 80,000, credit sales 2,00,000, sales returns 10,000 ,opening stock 25,000, closing stock 30,000 and Gross profit ratio is 25% (5 M)

b) The unadjusted trial balance of a service firm is shown as below as on September 30th 2018

Unadjusted Trial Balance on September 30th, 2018

(5 M)

	Debit	Credit
Cash	4,300	
Supplies	2,250	
Furniture	18,000	
Accumulated depreciation		2,400
Unearned Revenue		1,500
Notes payable		10,000
Equity capital		10,000
Service revenue		4,000
Advertising expense	650	
Depreciation expense	1,200	
Interest	400	
Salaries	600	
Dividends	500	
Total	27,900	27,900

Additional Information:

1. On September 30, the service company completed a service for which it had received a payment in 1,500.
 2. Monthly depreciation on furniture is 150
 3. A count of supplies revealed that 500 of supplies remaining on September 30th
- Assume the trial balance was last adjusted on August 31. You are required to prepare all adjusting journal entries for the month of September and prepare an adjusted trial balance as of September 30th

Part C

Answer **all** the Questions. **Each** question carries **ten** marks.

(3Qx10M=30)

9. A machine was purchased by .ABC Ltd for Rs. 2, 70,000. The scrap value at the end of its expected life of 5 years is estimated at Rs.72, 000. Calculate the amount of depreciation and Net Book Value for 5 years using straight line method. Also calculate the depreciation charges and Net book value for the machine for the 5 years using reducing balance method at a rate of 45%.

Assume that the business has a profit before depreciation of Rs.60, 000 for each of the 5 years in which the asset was held. Calculate the profit after depreciation for each year under each depreciation method and comment on your findings. (10 M)

10. The following are the Balance sheets of a concern for the years 2017 and 2018, prepare Comparative Balance Sheet and study the financial position of the concern. Balance sheet as on 31st December (10 M)

Assets	2017	2018
Cash	20,000	80,000
Bills receivables	1,50,000	90,000
Debtors	2,00,000	2,50,000
Stock	2,50,000	3,52,000
Total Current assets	6,20,000	7,72,000
Land and buildings	3,70,000	2,70,000
Plant and machinery	4,00,000	6,00,000
Other Fixed assets	45,000	55,000
Total Fixed Assets	8,15,000	9,25,000
Total Assets	14,35,000	16,97,000
Current Liabilities		
Bills payable	50,000	45,000
Creditors	1,05,000	1,30,000
Total Current liabilities	1,55,000	1,75,000
Debentures	3,50,000	5,00,000
Equity share capital	6,00,000	8,00,000
Reserves & surplus	3,30,000	2,22,000
Total	14,35,000	16,97,000

11. From the following Adjusted Trial Balance prepare statement of Profit and Loss, Statement of Changes in Equity and Balance sheet of XYZ Ltd. (10 M)

Particulars	Debit	Credit
Cash	8,250	
Accounts Receivable	1,500	
Supplies	650	
Equipment	18,000	
Accumulated Depreciation		600
Interest expenses payable		45
Notes payable		9,000
Common stock		15,000
Service revenue		8,500
Depreciation expense	600	
Supplies expense	350	
Advertising expense	2,250	
Interest expense	45	
Dividends	1,500	
Total	33,145	33,145