

**B.V. Patel Institute of Business Management, Computer & Information Technology**  
**Uka Tarsadia University**  
**1<sup>st</sup> Internal Examination, BBA 1<sup>st</sup> Semester**  
**0300301 Financial Accounting**

**Marks: 50**  
**Time: 2 hrs.**

**Date: 28/08/2017**

**Q-1 Answer the following. (Any Eight)**

**[16]**

1. Define accounting.
2. Pass the journal entry for following transaction.
  - a. Purchase goods from Suman of Rs 20,000 @ 5 % T.D and 8% C.D.
  - b. Sold goods of Rs 7,000 @ 10% T.D and 10% C.D to Jay and received 50% cash amount.
3. Define Business Entity Concept.
4. List out any five current assets.
5. What is the purpose of profit & loss a/c and balance sheet?
6. What is the difference on debit side of profit and loss a/c show and where its another entry is recorded?
7. What are the modes of expression in ratio?
8. Define Ratio.
9. What is stock turnover ratio? Write its formula.

**Q-2 Answer the following. (Any Two)**

**[20]**

1. Pass the journal entries for the following transactions in the books of Anuj.

2017

March 1 - Anuj started a business by bringing cash Rs 50,000 goods Rs 20,000 and furniture Rs 10,000, machinery Rs 10,000.

March 2 - Sold goods to Mayur at the price of 15,000 at T.D of 10%.

March 3 - Purchase goods from Amar at the price of Rs 5,000 at 15% T.D.

March 8 - Paid cash to Amar Rs 3,500 and discount received 50.

March 10 - Mayur returned the goods of the price of Rs 1,500.

March 15 – Returned goods to Amar of the price Rs 700.

March 18 – Paid rent Rs 250, Trade expense Rs 550 and Travelling expense Rs 200.

March 19 - Sold goods for cash at the price of Rs 55,00 @ 10% T.D. and 3% cash discount.

March 25 - Anuj withdraw goods of Rs 2,000 from bussiness for personal use.

March 29 - Settled the account of Amar by pying cash under a dicsount of 3%.

March 30 - Received from Mayur of Rs 12,500 in full settlement of his account.

- Post the following transaction into ledger and also prepare trial balance 2017
  - March 1- Started a business with cash Rs 10,000.
  - March 2- Deposited Rs 7,000 into the bank.
  - March 5- Sold good to Parul for Rs 7,000.
  - March 7- Withdraw cash Rs 5000 from business for personal use.
  - March 16- Paid salary to the employee Suresh Rs 15,000.
  - March 20- Cash of Rs 500 given for donation.
  - March 25- Purchased Machinery of Rs 50,000 and paid wages for installation Rs 5,000. The machinery was supplied by Mr. Maheswari.
- The following are the summarized profit and loss a/c and balance sheet of Vinayak Ltd. as on 31 March, 2017

Profit & Loss A/C

Particulars	Rs	Particulars	Rs
To opening stock	36,000	By sales	4,12,500
To purchase	3,24,000	By closing stock	30,000
To gross profit	82,500		
	<u>4,42,500</u>		<u>4,42,500</u>
To operating exp	41,250	By gross profit	82,500
To net profit	50,000	By non business income	8,750
	<u>91,250</u>		<u>91,250</u>

Balance sheet as on 31 March 2017

liabilities	Rs	Assets	Rs
Equity share capital	2,00,000	Plant and Machinery	1,00,000
Reserve and Surplus	70,000	Building	40,000
Profit and loss A/c	50,000	Furniture	40,000
Creditors	10,000	Cash	16,250
Bills Payable	5,000	Debtors	13,750
Bank Overdraft	5,000	Closing stock	30,000
	<u>3,40,000</u>		<u>3,40,000</u>

Calculate the following ratios:

- |                          |                       |
|--------------------------|-----------------------|
| (1) Current Ratio        | (6) Creditors Ratio   |
| (2) Acid Test Ratio      | (7) Debtors Ratio     |
| (3) Stock Turnover Ratio | (8) Proprietary Ratio |
| (4) Operating Ratio      | (9) Liquid Ratio      |
| (5) Gross Profit Ratio   | (10) Net Profit Ratio |

**Q-3 Answer the following in detail. (Any Two)**

[14]

- Define Accounting. Explain any 3 concepts of accounting.
- From the particulars given below, prepare three-column cash book 2016
  - July 1- Cash in hand Rs 250 and cash at bank Rs 7000
  - July 2- Received from Narendra Rs 880; discount Rs 50
  - July 3- Deposited into bank Rs 600
  - July 5- Purchase goods for Rs 1500 and payment made by cheque.
  - July 16- Paid advertisement expense Rs 500 by cheque.
  - July 19- Amount withdrawn from bank Rs 1000 for office use.
  - July 25- Paid to Akash Rs 850 by cheque; discount received Rs 50.
- Discuss in detail limitations of ratio.