

TDC Even Semester Exam., 2019

BUSINESS ADMINISTRATION

(2nd Semester)

Course No. : BBAE-201

(Accounting for Managers)

Full Marks : 50Pass Marks : 17

Time : 2 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, selecting **one** from each Unit

UNIT—I

1. (a) What do you understand by financial statement? State the difference between a Balance Sheet and a Statement of Affairs.
- (b) Explain how marshalling of assets and liabilities can be done. Give examples.
- 5+5=10

2. A and B are partners in a business. They share profits and losses equally and have agreed that 5% interest shall be credited to their respective capitals from profits prior to division. On 31st December, 2018 the following balances were extracted from their books :

	₹		₹
Salaries	3,000	Doubtful Debts	
Buildings	40,000	Reserves (Jan. 1, 2018)	500
B's Capital	40,000	Bill Receivable	2,950
A's Capital	24,000	Creditors	12,000
Debtors	16,000	Stock (31-12-18)	24,600
Insurance	550	Bad Debts	300
Gross Profit	15,500	Bills Payable	11,600
Fixtures	10,000	Cash	4,000
Expenses	2,200		

Prepare a Balance Sheet on 31-12-18 and a Profit and Loss A/c for the year ending on that date after taking into account the following matters : 4+6=10

- (i) B is to paid a monthly salary of ₹ 150 which is not paid for the last four months
- (ii) After writing off a further ₹ 100 as bad debts, make the reserve for the doubtful debts equal to 5% of the debtors
- (iii) Unexpired insurance ₹ 150
- (iv) Depreciate building 2%

UNIT—II

3. Distinguish between the following : 5+5=10

(a) Account of Profit Organization and Not-for-profit Organization

(b) Income Expenditure Account and Receipt Payments Account

4. The following is the Trial Balance of Barce Co. Ltd. as on 31st March, 2018 :

	₹ (in lakh)	₹ (in lakh)
Stock on 1st April, 2017	75,000	
Purchase Returns		10,000
Purchases and Sales	2,45,000	3,40,000
Wages	30,000	
Discount		3,000
Carriage Inward	950	
Furniture and Fittings	17,000	
Salaries	7,500	
Rent	4,000	
Sundry Expenses	7,050	
P/L Appropriation A/c (31-03-2018)		15,000
Dividends Paid for 2017-18	9,000	
Share Capital		1,00,000
Debtors and Creditors	27,500	17,500
Plant and Machinery	29,000	
Cash at Bank	46,200	
General Reserve		15,500

	₹ (in lakh)	₹ (in lakh)
Patents and Trademarks	4,800	
Bills Receivable and Bills Payable	5,000	7,000
	<u>5,08,000</u>	<u>5,08,000</u>

Prepare Trading A/c, Profit and Loss A/c and Balance Sheet for the year ended 31st March, 2018. Take into consideration the following adjustments :

10

- (i) Stock on 31st March, 2018 was valued at ₹ 88,000
- (ii) Make a provision for Income tax @ 50%
- (iii) Depreciate Plant and Machinery @ 15%, Furniture and Fittings @ 10% and Patents and Trademarks @ 5%
- (iv) On 31st March, 2018, Outstanding Rent amounted to ₹ 800, while Outstanding Salaries totalled ₹ 900
- (v) The Board of Directors proposes a dividend @ 15% per annum for the year ended 31st March, 2018 after the minimum transfer to General Reserve as required by law
- (vi) Make a provision for Doubtful Debts amounting to ₹ 510
- (vii) Provide for managerial remuneration @ 10% of the net profits before tax

(5)

UNIT—III

5. What is the point of distinction between branches and departments? How are inter-departments transfer of goods dealt with in the account? 2+8=10
6. What are departmental accounts? On which bases are expenses of the business allocated to different departments? 2+8=10

UNIT—IV

7. What do you mean by reissue of shares? State the provisions of reissue of shares under the Companies Act. 2+8=10
8. Define debenture. Explain the various provisions and situations of redemption of debentures. 2+8=10

UNIT—V

9. What are the different formats of Balance Sheet prescribed in Schedule VI of the Companies Act? Explain with examples. 10

(6)

10. Write explanatory notes on any *two* of the following : 5×2=10
- (a) Capital
- (b) Goodwill
- (c) Divisible profit
- (d) Appropriation of profits
