

Dr. BabasahebAmbedkar Open University
Term End Examination July – 2019

Course	: APGDBA	Date	: 18-07-2019
Subject Code	: APGDBA - 102	Time	: 03:00pm to 06:00pm
Subject Name	: Accounting For Managers	Duration	: 03 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three)

(30)

1. From the following transaction, you are required to record journal entries in the books of B.S Shah & Co.
Transactions during March, 2018
1 Started business with a Cash of Rs. 50,000 and Building valued Rs.5, 00,000.
6 Deposit into bank Rs.40, 000.
8 Cash Sales of Rs.20, 000.
10 Purchased goods of Rs.5, 000.
17 Goods sold to S.S shah of Rs.2,800 and cash received of Rs.2,750/-
25 Paid Electricity bill of Rs.600
26 Paid wages to workers Rs.6000
28 Withdrawn from Bank for office use Rs.6000
31 Purchased laptop and paid by cheque Rs.32,000
2. Explain the errors which are disclosed and not disclosed by the trial balance
3. What do you mean by depreciation? Explain objectives of providing depreciation
4. How financial statement of company is prepared?
5. From the following balance sheet of Prithvi Ltd. As on 31st march, 2018. Calculate the following ratios
1) Net Profit ratio, 2) Current ratio 3) Proprietary Ratio 4) Return on capital employed

Balance sheet as on 31st March,2018

Liabilities	Amount	Assets	Amount
Creditors	16000	Cash at bank	26000
Bills payable	6000	Debtors	11000
Debenture	100000	Stock	50000
Reserve	69000	Bills receivable	4000
Paid up capital	100000	Fixed assets	200000
	291000		291000

Sales Rs. 200000 and Net Profit Rs. 60000

Section B

Answer the following (Attempt any four)

(20)

1. Define Accounting. Explain various functions of accounting
2. State difference between Capital expenditure and Revenue expenditure
3. What are the different reasons for discrepancy between the balance as per the cash book and the Pass book?
4. From the following particulars, Prepare a bank reconciliation statement showing the balance as per cash book on 31st march 2018
 - 1 Balance as per Pass Book Rs.8000
 - 2 Cheques deposited but not credit by bank Rs.1000
 - 3 Cheques issued but not presented for payment Rs.500
 - 4 Dividend collected by bank, not recorded in cash book Rs.100Bank charges debited in pass book, not recorded in cash book Rs.50
5. What are the limitations of financial statements?
6. Write down various profitability ratio with formula

Section C

Part – A (Multiple Choice Questions)

(10)

- 1 The _____ is the book of original entry
 - A Journal
 - B Ledger
 - C Trial Balance
 - D None of these
- 2 In _____ book, all transaction related to credit purchase are recorded
 - A Ledger
 - B Purchase book
 - C Journal
 - D Sales book
- 3 The main objective of Profit and loss Account is to ascertain _____ of a business during an accounting period
 - A Net Profit
 - B Net loss
 - C Both A & B
 - D None of these
- 4 Which of the following are the examples of revenue receipt?
 - A Interest received
 - B Rent received
 - C Dividend received
 - D All of these
- 5 At the end of a period the balances of accounts ledger are extracted in a sheet called _____
 - A Trial balance
 - B Ledger
 - C Journal
 - D Subsidiary book
- 6 _____ statement is the explanation of the difference in balance as per cash book and pass book at particular date
 - A Balance sheet
 - B Bank reconciliation
 - C Income
 - D None of these
- 7 _____ means the gradual decrease or loss in the value of asset due to its usage
 - A Appreciation
 - B Demolition
 - C Depreciation
 - D Asset

- 8 Which of the following are the current liabilities of the company?

A Outstanding expenses	B Bills payable
C Creditors	D All of these
- 9 In ____ method of charging depreciation, a fixed amount of the original cost is charged as depreciation every year

A Straight line	B Written down
C Annuity	D All of these
- 10 _____ Ratio is an indicator of the firm's commitment to meet its short term liabilities.

A Liquid	B Current
C Capital employed	D Fixed assets

Part – B (Do as Directed)

(10)

State Whether Following Statement are True or False

- 1 Debtors are the clients of the business to whom goods are sold on credit
- 2 The rule of personal accounts is “Debit the receiver Credit the giver”
- 3 The process of transferring of the debit and credit from the journal to ledger accounts is called posting
- 4 Cash and Credit both the transactions are recorded in the cash book
- 5 Discount received is the example of capital receipt
- 6 All the expenses are recorded in the credit side of profit and loss account
- 7 Balance sheet is the statement of assets and liabilities
- 8 Depreciation is charged on fixed assets and tangible assets only
- 9 Financial ratio indicate about the financial position of the company
- 10 The transaction omitted altogether from the books of original entry is called Error of omission.