

XLRI JAMSHEDPUR – BM I
Quiz 1, Time: 90 Minutes, Total Marks: 15, Month: Jun. 2018

NAME: _____

ROLL # _____

INSTRUCTIONS

This is a closed book examination. You are not allowed to borrow books, sheet, calculators, etc. Answer all questions. Marks in brackets at the start of each section indicate the marks assigned for that section. In case of multiple-choice questions, you are required to mark (tick) the most appropriate choice in the question paper itself and also work out the solution (or give reasonable explanation) in the blank space provided below or on the other side of the page.

Anyone who resorts to unfair practices, as judged by the examiner, the minimum penalty will be zero in this segment of evaluation, while the maximum penalty could be expulsion from the institute. There will be no further warnings.

SECTION I

(Total: 10 Marks, Each Correct Answer +½ mark, Each Wrong Answer –½ mark)

Ram Consultant-Cum-Traders: Balance Sheet

Ram decides to start a business in the local vegetable market of Jamshedpur. **The case below is completely based on your roll number (Z being the last three digits of your roll number) and day of birth (Y) as per your records.**

- ⌘ Example 1: If your roll number is BM18008 and Date of Birth is 22-Jun-1748 then Z will be '008' and Y will be '22'.
- ⌘ Example 2: If your roll number is BM18023 and Date of Birth is 29-Feb.-2008 then Z will be '023' and Y will be '29'.
- ⌘ Example 3: If your roll number is BM18209 and Date of Birth is 01-Dec-1899 then Z will be '209' and Y will be '01'.

We provide the transactions and events against each date for Ram Consultant-Cum-Traders below. You are required to prepare the two position statements of the organization & based on the same answer the question marked portion.

Period 1

- ❖ **Date 1-June** Ram starts a trading entity as above with capital Rs "2Z+1" Thousand
- ❖ **Date 1-June** Ram Traders borrows Rs "Y+1" Thousand from Ms. Champa (interest will be at Simple Interest @ 12% p.a. payable at end of the month)
- ❖ **Date 2-June** Ram takes on hire a "small shop" (i.e., shed or gmooty) in Sakchi Sabji Bazaar (i.e., local vegetable market) on a daily rent of Rs "Z+1" per day deposit of Rs "Z+1" hundred)
- ❖ **Date 5-June** Ram purchases "Z+1" Bags of Green Chillies (i.e., Hari Mirchi) on Credit from Laddu at the rate of Rs "Y+1" per Kilogram (remember 1 green Chilli bag = 40 Kgs)
- ❖ **Date 6-June** Ram spends Rs 1,000 on sales promotion (such as pamphlets, etc.)

- ❖ **Date 7-June** Ram Childhood Classmate Akella Veera Venkata Vijayawada Vishnuvardhan Sitaramanjaneyula Rajasekhara Yarlagadda Venkata Samba Siva Rao, Badminton Superstar Ms. P V Sindhu, IPL Dada Shri Lalit Modi, Prime Minister Shri Narendra Modi, Bollywood King Shri Shah Rukh Khan, Chennai-based Super Star Shri Rajinikanth, Bollywood Beauty Ms Katrina Kaif, Hot Delhi Tiger Shri Virat Kohli, Indian National Congress President Shri Rahul Gandhi and Yoga Guru Baba Ramdev jointly launch a massive campaign to promote the health benefits of eating green Chilli along with International YOGA DAY (as part of Healthy India Campaign using funds from the Government Budget Allocation)
- ❖ Every day Ram Traders sells large amounts of Green Chillies. Due to the high Demand Ram starts Rationing of Chilli and selling only 1 Kg per customer.
- ❖ **Date 13-June** Ram Traders CEO Ram while watching “F” TV channel, comes to know of a new combo flavor (some kind of mixture prepared using both sea salt & green chilly) being more popular seasoning these days. Hence the trading entity lends 1 kilo of green chilly to his mother-in-law for doing research to identify the exact mix in this new combo flavor.
- ❖ **Date 19-June** Ram completes reading a book titled "Thought Leaders for the Future Generation" by Harvard Guru Pankaj Ghemawat. He decides to re-write the book in Maithili and the local tribal language i.e., Santhali
- ❖ **Date 23-June** A customer hits Ram with a Stone (on some petty argument). Ram is injured. Ram Trader’s employee Raju puts 1 Kilogram of green Chilli on the customer’s eyes. Finally, both settle the matter and become good friends by hiring each other.
- ❖ **Date 24-June** Ram sells 90% of the purchased Green Chilli at a average price of Rs 250 per Kg
- ❖ **Date 25-June** Ram’s wife turns sweet sixty six. He celebrates his wife's Birthday. He gifts her 1 Kg of Green Chilli. His wife goes ecstatic.
- ❖ **Date 26-June** Due to high volatility in Chilli prices, Ram gets heart attack. Based on Medical advice from Dr. T K Banerjee, Ram decides to close the shop for the next one week.
- ❖ **Date 30-June** Ram Traders pays up the interest to Ms Champa (if any). In return, Ms Champa gives Ram a *Get Well Soon* Greeting Card.
- ❖ **Date 30-June** Ram knows that his employee Raju has to collect this month’s salary of Rs. 1,000. He finds Raju to be absent that day. Ram decides to pay him on the next working day.
- ❖ **Date 30-June** Ram Traders purchases shop furniture worth Rs “Y + 1” hundred on credit from M/s Arunachal Green Plywood. Delivery of furniture is done on the same day. Ram promises to make payment in 51 days.
- ❖ **Date 30-June** Ram Traders provides for 40% income tax (proportionate-basis) based on the prevalent taxation norms.

Based on the details above, please prepare the financial position as on 30th June. Please fill the question marked portion:

Ram Traders Balance Sheet as on 30th June (all figures in Rs.)

Assets		Liabilities and Owner's Equity	
Cash	?	Payables	
Inventory	?	Loan	
Prepaid Rent		Provisions	?
Total Current Assets	?	Total Liabilities	?
		Capital	
Fixed Assets	?	Profit	?
Total Fixed Assets		Total Owner's Equity	
Total Assets		Total Liabilities and Owners Equity	?

Period 2

- ❖ **Date 1-July** Ram opens the shop to find all the green chillies being bitten by (love)bug virus 'prem pratigya'. The state of chillies is inedible. Thus, CEO Ram of Ram Consultant-Cum-Traders fame decides to try his hands on consulting.
- ❖ **Date 5-July** Ram spends Rs 1,000 on sales promotion (such as pamphlets, etc.)
- ❖ **Date 10-July** Ram spends time with Raju and fills his annual performance appraisal report
- ❖ **Date 15-July** Raju quits the firm. Ram settles his dues. He gives Ram a parting kick.
- ❖ **Date 15-July** Ram bills a client, Dilwali, for Rs. 15,000. The happy customer, Dilwali, pays using NEFT online transfer instantly. Dilwali also promises to give him more business.
- ❖ **Date 20-July** Ram bills another client, G.O.A.T. Ronaldo, for Rs. 55,000. Ronaldo being busy with world cup football asks him to wait for payment.
- ❖ **Date 25-July** Ram pays the travel agent Rs. 10,000 on work related travel bills.
- ❖ **Date 28-July** Dilwali calls Ram and offers to purchase the furniture for Rs. 88 Lakhs. Ram has tears in his eyes.
- ❖ **Date 31-July** Ram bills another client, M/s Trump Towers, for Rs. 15 Lakhs. They give him a post dated cheque.

Based on the details above, please prepare the financial position as on 31st July. Take depreciation rate for furniture at 1% per month. Please fill the question marked portion:

Ram Traders Balance Sheet as on 31st July (all figures in Rs.)

Assets		Liabilities and Owner's Equity	
Cash	?	Payables	?
Other Financial Assets	?	Loan	?
Inventory	?	Provisions	?
Prepaid Rent	?	Total Liabilities	?
Total Current Assets	?	Capital	
Fixed Assets		Profit	?
Total Fixed Assets	?	Total Owner's Equity	
Total Assets		Total Liabilities and Owners Equity	?

Space to do your rough work:

KAKKANANI.NET

SECTION II: FILL IN THE BLANKS

(Total: 5 Marks, Each Correct Answer +½ mark, Each Wrong Answer –½ mark)

This section is largely based on Greenply Industries Limited report. Please make use of the same to respond to the questions below.

Accounting Concept	Proof in Greenply Industries Report
1. Conservatism	
2. Consistency	
3. Realization	
4. Diversity among Different Entities	
5. Dependability of Data	

Question	Answer with Proof in Greenply Industries Report
6. In FY2018, which asset item had the largest change and what could that indicate?	
7. In FY2018, which is the bigger source of funds for Greenply between 'new money from owners' or 'new money from outsiders' and why?	
8. Which asset constitutes the largest proportion within the aggregated numbers of all non-parent entities put together	
9. List down the regulatory bodies involved that Greenply seems to be adhering to	
10. List down the name of five entities of Greenply group wherein the auditor B.S.R. & Co LLP cannot be blamed for any fault on their part	