

XLRI JAMSHEDPUR – BM I**Quiz 1, Time: 100 Minutes, Total Marks: 10, Month: July-2016**

NAME: _____

ROLL # _____

INSTRUCTIONS

This is a closed book examination. You are not allowed to borrow books, 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.

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: FILL IN THE BLANKS

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

1. Shri Vijay Mallya is not willing to acknowledge (and thus, repay) the losses of Kingfisher Airlines by perhaps hanging on to _____ Accounting Principle.
Answer: Business Entity. However, the bankers believe that Vijay Mallya's way of doing things makes them feel that this accounting concept is an accounting fiction, as the law is also unwilling to accept the distinction. Please refer to FAM4e Chapter 1 QR Code 1
2. Historically, the moving away of business entities from closed one-time ventures to Bank of Scotland/East India Company/General Motors type of enterprises, necessitated this _____ concept
Answer: Going Concern. Please refer to FAM4e Chapter 1 QR Code 2

SECTION II: SURPANAKHA ENT HOSPITALS CASE

(Total: 6 Marks, Each Correct Answer +½ mark, Each Wrong Answer –½ mark)

Recovering from the loss of her ears and nose, madam Surpanakha decides to start a business in the Nala Sopara area, Mumbai. She gets the emotional connect right by picking a socially enviable business of a ENT hospital;. **The case below is completely based on your roll number (Z being the last three digits of your registration number at XLRI) and day of birth (Y) as per your records at XLRI.**

- ⌘ Example 1: If your SID is FB16008 and Date of Birth is 22-Jun-1748 then Z will be '008' and Y will be '22'.
- ⌘ Example 2: If your SID is BM16023 and Date of Birth is 29-Feb.-2008 then Z will be '023' and Y will be '29'.
- ⌘ Example 3: If your SID is BM16209 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 Surpanakha ENT hospitals below. You are required to prepare the position statement of the organization.

- ❖ **Date 1-June** Surpanakha starts Surpanakha ENT Hospitals with capital Rs "2Z–1" millions

- ❖ **Date 1-June** Ram Traders borrows Rs "Y" 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 (pays an adjustable deposit of Rs "Z+1" hundred)
- ❖ **Date 2-June** Ram purchases "Y+1" Bags of Red Chillies (i.e., Lal Mirchi) from Pappu at the rate of Rs "Z+1" per Kilogram (remember 1 red Chilli bag = 20 Kgs)
- ❖ **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, advertisement on local cable network)
- ❖ **Date 7-June** My Childhood Classmate Akella Veera Venkata Vijayawada Sitaramanjaneyula Rajasekhara Yarlagadda Venkata Samba Siva Rao, Tennis Superstar Ms. Sania Mirza, IPL Dada Shri Lalit Modi, Badminton Champion Ms. Saina Nehwal, Prime Minister Shri Narendra Modi, Bollywood King Shri Shah Rukh Khan, Chennai-based Indian Super Star Shri Rajinikanth, Bollywood Beauty Ms Anushka Sharma, Delhi Tiger Shri Virat Kohli, Indian National Congress President Ms Sonia Gandhi, XL General Secretary Shri Abhijit Roy and Puratchi Thalaivi Amma Jayalaitha Jayaram jointly launch a massive campaign to promote the health benefits of eating 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 and Red 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 by using both red & green chilly) being more popular seasoning these days. Hence the trading entity lends 1 kilo each of red & 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, Hindi 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-gram Chilli on the customer's eyes. Finally, both settle the matter and become good friends by hiring each other.
- ❖ **Date 24-June** Ram sells 80% of the purchased Red Chilli at an average price of Rs 150 per Kg. He sells 90% of the purchased Green Chilli at a average price of Rs 100 per Kg
- ❖ **Date 25-June** Ram's wife turns sweet sixteen. He celebrates his wife's Birthday. He gifts her 1 Kg of Green Chilli and 1 Kgs of Red 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 21 days.
- ❖ **Date 30-June** Ram decides to compute the three financial statements. Ram Traders provides for 40% income tax (proportionate-basis) based on the prevalent taxation norms.

Please fill in the blanks as on 30th June	Amount (in Rs.)
Balance Sheet Items	
1. Cash & Bank Balance	
2. Total Assets	
3. Total Liabilities	
4. Owner(s) Equity	
5. Inventory	
6. Prepaid Expenses and Deposits	
Profit & Loss Statement Items	
7. Total Sales	
8. Gross Profit	
9. Operating Profit	
10. Corporate Income Tax	
11. Net Profit	
12. Sales, General & Administrative Expenses	
Cash Flow Statement Items	
13. Cash Inflows from Operating Activities	
14. Cash Outflows from Operating Activities	
15. Cash Inflows from Investing Activities	
16. Cash Outflows from Investing Activities	
17. Cash Inflows from Financing Activities	
18. Cash Outflows from Financing Activities	