

XLRI JAMSHEDPUR – BM
Quiz Test, Time: 40 Minutes, Date: Aug. 2008

NAME: _____

ROLL # _____

INSTRUCTIONS

This is a closed book examination. You are not allowed to borrow books, calculators, etc. Answer all questions. Please read all footnotes (some of them might contain crucial information). 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 appropriate choice in the question paper attached.

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'

[Please tick or round the correct answer; Each Complete Correct answer: + 1 mark, Each Wrong answer: – 1 mark]

Rachna Manufacturers Limited: The following are the items from the Trial balance of an industrial firm:

Opening stock	:	Raw Materials	40,000
		Finished Goods	70,000
Purchases			1,80,000
Sales			3,50,000
Returns	:	Purchases	5,000
		Sales	3,000
Wages			65,000
Factory Expenses			45,000
Freight	:	Inwards	10,000
		Outwards	15,000
At the end of the concerned period, the stock-in-hand was:			
Raw Materials			35,000
Work-in-progress			10,000
Finished Goods			55,000

Question 1: The gross profit of the industrial firm would be:

- a) Less than Rs. 10,000; b) Between Rs. 10,001 and Rs. 40,000; c) Above Rs. 40,001; d) None of the above

Romit Filters Limited: The following is a trail balance for the firm for the year ending 31st Dec. 2007. It is known that the closing stock of the company as on 31st Dec 2007 stood at Rs. 1,00,000:

S.Drs	15,000	
Stock (1-1-2007)	50,000	
Land & Building	1,00,000	
Capital		2,50,000
Rent		6000
Cash in hand	16,000	
Cash at bank	40,000	
Wages	30,000	70,000
S.Crs.		
B/R	20,000	
Interest	2000	
Bad debits	5000	
Repairs	3000	1,70,000
T.Sales		40,000
B/P		
Furniture & fixtures	15,000	
Depreciation	10,000	
Rates & Taxes	8000	
Salaries	20,000	
Drawings	20,000	
Purchases	1,00,000	
Office expenses	25,000	
Plant & Mach	57,000	
Total	5,36,000	5,36,000

Question 2: At the end of the accounting period, the gross profit of the industrial firm would be:

- a) Less than Rs. 10,000; b) Between Rs. 10,001 and Rs. 80,000; c) Above Rs. 80,001; d) None of the above

Question 3: At the end of the accounting period, the net profit of the industrial firm would be:

- a) Less than Rs. 10,000; b) Between Rs. 10,001 and Rs. 40,000; c) Above Rs. 40,001; d) None of the above

Question 4: At the end of accounting period, the net worth of the industrial firm would be:

- a) Less than Rs. 1,00,000; b) Between Rs. 1,00,001 and Rs. 2,80,000; c) Above Rs. 2,80,001; d) Can't say

Section II

The table below lists a few events / transactions and you have to record the same. Pick the most appropriate answer for preparing the accounting record and entering the same in respective ledgers. Please see, two examples at the start.

[Each Complete Correct Match: + 1 mark, Each Wrong match: – 1 mark, No Attempt: – 1 mark]

Transaction / Event	CA	FA	OA	CL	LTL	CC+RR	CR	Rev.	Exp.	Div.
Example 1: Ram invests capital in Ram Software Limited	Dr						Cr			
Example 2: A customer was offered a cup of tea	Cr								Dr	
Q 1: Retirement of an employee from Pankhuri Textiles Limited (resulting in complete severance of ties with the company). Pankhuri Textiles will record										
Q2: Convertibility of Rs. 100 Debentures to 1 Equity Shares of Rs. 10 Par Value										
Q3: Convertibility of Rs. 100 Par Value Preference Shares to 50 Equity Shares of Rs 2 par value each										
Q4: As part of restructuring of a bankrupt company – its par value of share is reduced from Rs. 10 to Rs. 1										
Q5: As a reward to shareholders, Hindustan Unilever Limited issues bonus debentures to its shareholders in the ratio of 1:1 i.e., 1 bonus debentures of Rs 100 par value is issued for every one share of the company with par value of Rs 1.										
Q6: A company follows a % of sales method for provisioning of its estimated collection losses. The company comes to know that a customer has expired. The said customer used to always purchase on a 30-days credit from the company. The company will										
Q7: A person goes and cancels his railway reservation ticket (2841 Coromandal Express from Howrah to Rajahmundry) of Rs. 500. The ticket counter fellow punches a few keys (in the computer) and pays him Rs. 460. The accounts of railways will have:										
Q8: Railway wagons lying empty at a customer's site results in demurrage charges. Indian railway sends a notice to Steel Authority for delay in returning its empty wagons.										

Transaction / Event	CA	FA	OA	CL	LTL	CC+RR	CR	Rev.	Exp.	Div.
Q9: Disposal of a old fixed asset by a company at a loss (the company does not used block depreciation)										
Q10: Planned massive capital repair of a blast furnace										
Q11: A company is fully insured by Life Insurance Corporation (LIC) of India (as part of its group insurance scheme for all staff). After one month there were no claims made by the company with LIC. This would result in LIC having										
Q12. Massive earthquake happens at a factory (say, Reliance Refinery). Unfortunately, this results in complete destruction of the site. The secured lender will make the following										

Note: CA – Current Assets; CC – Contributed Capital; CL – Current Liabilities & Provisions; CR – Capital Reserves; Div. – Dividends; Exp. – Expenses; FA – Fixed Assets; LTL – Long-term Liabilities; OA – Other Assets; RR – Revenue Reserves; and Rev. – Revenues.