

XLRI JAMSHEDPUR – BM I
ManAcc1 Quiz 2, Time: 90 Minutes, Total Marks: 20, Jul. 2018

NAME: _____

ROLL # _____

INSTRUCTIONS

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

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.

You are launching into a business in the name and style of your choice. It has to be a manufacturing business. It means that your simple business would involve, buying materials, transforming it using machinery, and selling it. Strictly adhere to the conditions mentioned below.

ASSUMPTIONS AND REQUIREMENTS:

You can make any assumption, provided they are reasonable in an actual business situation, subject to the conditions 1 to 4 (detailed below). Please draw up the accounts and reports in proper form as if they were made out for a real life business.

CONDITIONS:

1. Capital to be contributed will depend on your Roll number in the class and your day of birth
 - *Your Register/roll number multiplied by twenty times of your day of birth (all in Rs. thousand)*Assuming, Roll Number 001 has the date of birth as 01-Jan.-1993, so roll no 001 will have contributed capital of INR 20,000. On the other hand, if Roll Number 200 has the date of birth as 30-Dec.-1995, so roll no 200 will have contributed capital of INR 1,20,000
2. Long term loans equal to maximum of 3 times the capital is available at the rate of 12% per annum. Long term loan has to be at least be equal to capital.
3. Credit sales will be 2-4 times cash sales for all odd Roll/Register number and 5-7 times for all even Roll/Register number.
4. Credit purchase will be 5-7 times cash sales for all odd Roll/Register number and 3-4 times for all even Roll/Register number.
5. Assume no gestation period. That is, the business starts operations from day one.
6. I require from you: **minimum 7 transactions and three adjustments per period.**

REQUIRED:

1. You are required to prepare the accounts of the business as if owned by you in the frame work of the conditions one through six detailed above, for two accounting periods.
2. Prepare a precise chronological statement of all transactions.
3. Prepare journal entries for all transactions and post them to appropriate ledgers during the first accounting period.
4. For 2nd period you **may** skip journal entries and directly prepare subsidiary ledger account (say, cash receipts, cash payments, sales, and purchases book)
5. Prepare a post-closing trial balance, income statement and balance sheet for the end of the month.