

BA.,BBA.,B.Com.,LL.B. (Sem.-I) (Rept.) Examination

ILB.Com. 103

Financial Accounting

April-2017

[Max. Marks : 52]

Time : 3 Hours]

Instructions:

- Figures to right indicate marks.
- Working notes should form a part of your answer.

Q-1 Choose the appropriate answer from the option given below: **(Any 5)****(10M)**

1. Which of the following is interested in Accounts?
 - a. Proprietor
 - b. Creditors
 - c. Employees
 - d. All of these
2. Identify the current assets from the following:
 - a. Bills Receivable
 - b. Investments
 - c. Furniture
 - d. Goodwill
3. Which of the following expenses is a revenue expenses?
 - a. Expenses to make addition to an existing fixed asset.
 - b. Expenses to maintain the present efficiency level of a fixed asset.
 - c. Expenses to purchase a new fixed asset
 - d. Expenses to repair an old machine to put it into working condition.
4. Bank credits income of doubtful interest to Interest Suspense Account because of
 - a. Principle of conservatism
 - b. principle of Full Disclosure
 - c. Principle of Consistency
 - d. principle of Cost concept
5. Rent has been paid for 11 months from April 2009 to February, 2010, amounting Rs. 88,000. The outstanding rent will be shown in the balance sheet by:
 - a. Rs. 6,000
 - b. Rs. 9,000
 - c. Rs. 8,000
 - d. None of these.
6. The Subscription received in advance during the accounting year will be treated as...
 - a. an asset
 - b. an income
 - c. a liability
 - d. a contingent liability

Q2. From the following four question discuss **any Two**:**(14M)**

- A. Explain the advantages and limitations of Financial Accounting.
- B. Describe the rules of Debit and Credit and also explain the types of Accounts.
- C. Discuss any five Accounting Concepts.
- D. Differentiate between: Capital Expenditure and Revenue Expenditure

(P.T.O)

MC 25-2

Q-3 (A) From the following Trial balance of Aryan Sports club as at 31-3-2010 and other information, prepare Income and expenditure account and balance sheet as on 31-3-2010 (14M)

Debit Balance	Rs.	Credit Balance	Rs.
Salary	1,15,000	Entrance fees	1,10,000
Printing and Stationery	16,000	Subscription	1,60,000
Closing cash and bank balance	78,000	Rent received	30,000
Advertisement expenses	16,000	Donation	40,000
Fire insurance	12,000	Capital Funds	8,47,400
Sundry expenses	6,000	Income from entertainment programme	15,000
Purchase of 10% investment (1-10-'09)	2,00,000	Income from advertisement in souvenir	18,000
Audit fees	1,000	Donation for Honoring President	11,500
Sports Equipments	2,50,000	Donation Prize Fund	16,500
Club Ground	4,74,000	Income from tournament	4,800
Furniture and Fixtures	40,000	Sale of old Furniture (Book value Rs.3,200)	2,100
Expenses of Entertainment Programme	10,000	Income From Prize Fund	500
Souvenir Printing Expenses	8,000	Balance of Sundry Expenses (last year)	1,600
Expenses of Programme of Honoring President	7,500		
Subscription due for last year	5,000		
Prize distribution expenses	4,800		
Expenses of programme for prize distribution	2,300		
Tournament expenses	3,800		
Purchase of Furniture(1-10-'09)	8,000		
	12,57,400		12,57,400

Additional Information:

- (1) Subscription outstanding for current year is Rs.20, 000. Last year's subscription received Rs.5,000 and sub. Received for 2010-2011 Rs. 2,000.
- (2) 50% of entrance fees is to be capitalized.
- (3) Expenses of printing souvenir Rs.580 outstanding and outstanding salary Rs.2, 000.
- (4) Insurance premium Rs.6,000 is paid for the year ending 30-9-'10.
- (5) Sundry expenses include Rs.1,600 paid for last year and outstanding for current year is Rs. 750.
- (6) Depreciate sports equipment and furniture 10%.Depreciation on furniture sold is to be ignored.

OR

M025-3

Q-3 (A) From the following trial balance of the Aditi Education Society as at 31st March, 2010, prepare an income and expenditure account and balance sheet: (14M)

Particulars	Dr. Rs.	Cr. Rs.
Furniture	12,500	
Additions to furniture during the year	3,200	
Library Books	17,500	
Additions to Library Books during the year	4,300	
Buildings	2,75,000	
Investment	1,50,000	
Investment Reserve Funds		15,000
Debtors and Creditors	5,000	14,500
Entrance fee		15,200
Subscription Received		22,900
Hire of Society Hall		6,500
Interest realised on investment		5,500
Sundry Receipts		600
Salaries	10,100	
Printing and Stationery	1,000	
Insurance and taxes	900	
Sundry Expenses	2,175	
Prize trust fund		16,000
Prize trust Investment	15,800	
Prize trust Income		650
Prize Awarded	450	
Prize Fund Bank Balance	275	
Donations		18,000
Capital Fund		3,89,150
Cash at Bank	5,500	
Cash on hand	300	
	5,04,000	5,04,000

The Followings is Further Information:

- Subscriptions to be Received Rs.4, 500.
- Subscriptions received in advance Rs.500.
- Total interest on Investment was Rs.5, 950.
- Salary outstanding Rs.1, 800.
- Insurance and taxes paid in advance for three months as Rs. 75 per month.
- Providing depreciation at the following rates (Including additions)

Library Books	15% p.a.
Furniture	5% p.a.
Building	1% p.a.

(P.T.O)

M1025-4

Q-4 From the following trial balance Shri Madan Chavda as on 31st December, 2010. Prepare a Trading Account, P&L Account for the year ended on 31st December, 2014 and a Balance Sheet as on that date:

(14M)

Trial Balance

Name of Account	Debit Rs.	Credit Rs.
Madan's Capital Account	--	1,00,000
Stock on 1 st april,2009	45,000	----
Purchase & Sale	1,70,000	3,00,000
Goods return	8,000	15,000
Freight and carriage	18,000	---
Rent and taxes	5,000	---
Salaries and wages	10,000	---
Unpaid salaries and wages	--	1,000
Debtors and creditors	45,000	25,000
Bank loan at 12% P.A.	--	30,000
Bank loan interest	2,000	----
Printing and advertising	15,000	----
Miscellaneous income	--	2,200
Discount	1,800	800
General expenses	16,700	--
Insurance (up to 30-6-2010)	1,300	--
Post and telegram	2,330	--
Cash in hand	20,000	--
Travelling expenses	870	--
Drawings	40,000	--
Cash at Bank	18,000	--
Furniture and fittings	55,000	--
	4,74,000	4,74,000

Adjustments:

1. Included amongst the debtors is Rs 3,000 due from sudhir and included among the creditors Rs. 3,000 due to him.
2. The provision for bad and doubtful be created at 5% and reserve for discount at 2% on debtors.
3. Depreciation on furniture and fitting at 10% shall be written off.
4. Interest on bank loan shall be provided for the whole year.
5. A quarter of the amount of printing and advertising is to be carried forward to the next year.
6. The stock on 31-3-2010 was Rs. 1,78,000.

Or

M025-5

Q-4 From the following Trial Balance prepare Trading and Profit & Loss Account for the year ended on 31-3-2012 and Balance Sheet as on that date:

Name of Ledger	Debit Rs.	Credit Rs.
Debtors and creditors	5,00,000	2,00,000
Drawing and capital	20,000	14,43,000
Purchase and sale	15,50,000	21,00,000
Carriage inwards	50,000	--
Carriage outwards	1,10,000	--
General expenses	70,000	--
Cash discount	20,000	--
8% Investments	1,87,500	--
Bad debts	10,000	--
Motor car	2,95,000	--
Printing & stationary	15,000	--
Furniture & fittings	1,00,000	--
Advertisement	85,000	--
Insurance premium (upto 30-6-2012)	45,000	--
Salaries	1,70,000	--
Rates and taxes	25,000	--
Interest on 8% investments	--	5,000
Wages	1,75,000	--
Stock on 1-4-2011	2,50,000	--
Cash at bank	60,000	--
Cash in hand	10,500	--
	37,48,000	37,48,000

Additional Information:

1. Stock on 31-3-2012 was valued at Rs. 3,15,000.
2. A provision for bad and doubtful debt is to be created to the extent of 5% on debtors.
3. Stock valuing Rs. 5,000 was destroyed by the fire during the year and the insurance company admitted the claim of Rs. 3,500 only. The above effect has not been shown in the books of accounts.
4. Included in the debtors, a customer who owes Rs. 2,500 has been declared insolvent, nothing will be realized from his estate.
5. Depreciate furniture and fittings at 10% p.a. and motor car at 20% p.a.
6. Purchases include purchase of furniture worth Rs. 5000
7. The salesman is entitled to a commission of 5% on total sales.

*****ALL THE BEST*****

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Candidate's Seat No : _____

BA.,BBA.,B.Com.,LL.B. (Sem.-I) (Rept.) Examination

ILBBA 103

Financial Accounting

April-2017

[Max. Marks : 52

Time : 3 Hours]

Instructions:

1. Marks are mentioned for each question.
2. Do not write anything except your roll number on question paper.

Question 1

- A. Explain fundamental Accounting equations with 5 equations. (7)
- B. Explain difference between capital income, revenue income & Differed revenue expenditure. (7)

OR

- A. Explain any five accounting principles. (7)
- B. Explain the types of accounts in detail. (7)

Question 2

- A. Explain Receipt payments, Income expenditure and Balance sheet of non trading concerns with Iiluminating figures. (7)
- B. Prepare Revenue and capital items under the context of final accounts Of Non trading concerns. (7)

OR

The balance in the books of M/S Elysium club on 31/12/2015 were as follows, from which you are asked to prepare an Income and Expenditure account for the year ending on 31/12/2015 and Balance sheet as on that date:

(P.T.O)

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Cash balance (01/01/2015)	8600
Cash balance (31/12/2015)	29350
furniture (01/01/2015)	3000
Building (01/01/2015)	22000
Investments in 7% Govt. securities (31/12/2014)	15000
Entrance fees (1/2 to be capitalized)	9000
Subscription received during the year	75000
Additional particulars for subscription:	
Outstanding for 2014	6500
Outstanding for 2015	5800
Received in advance in 2014	1500
Received in advance in 2015	1600
Expenses paid during the year	91700
Additional particulars for expenses:	
Outstanding for 2014	5400
Outstanding for 2015	7600
Paid in advance in 2014	2700
Paid in advance in 2015	800
Furniture purchase (01/10/2015)	4000
Interest on govt. securities upto 01/09/2015	700
Income from programs during the year	26000
Miscellaneous income received during the year	5750
Secretary's honorarium for 2015 unpaid	2400
Opening capital fund	50900

Calculate 10% depreciation on furniture and buildings.

Question 3

from the given Trail Balance of Shukla & Pathak Ltd. Prepare Trading and profit and loss account for the year ended on 31st December, 2014 and balance sheet as on the date: (14)

Debit Balance	Amt	Credit Balance	Amt
Purchase	620000	Sales	830000
Opening stock	100000	Capital	577200
Cash in hand	4200	Sundry creditors	80000
Cash at bank	24000		
Drawings	8000		
Rates and taxes	10000		
Salaries	64000		

M024-3

Postage and telegrams	23000		
Salesman's commission	70000		
Insurance	18000		
Advertising	34000		
Furniture and fittings	44000		
Printing and stationery	6000		
Motor car	96000		
Bad debts	4000		
Cash discounts	8000		
General expenses	28000		
Carriage inwards	20000		
Carriage outwards	44000		
Wages	40000		
Audit exps.	22000		
Sundry debtors	200000		
TOTAL	1487200	TOTAL	1487200

Additional information:

1. Cost of goods in stock as on 31/12/2014 was Rs. 290000/-
2. Shukla & Pathak had withdrawn goods worth Rs. 10000/- during the year.
3. Purchases includes purchases of furniture worth Rs. 20,000/-
4. Write further bad debts worth Rs. 10,000/-
5. Provisions for bad debts are to be created at 5% of debtors. Also create a discount reserve on debtors at 2% and creditors at 2%.
6. Depreciation furniture by 10% and motor car by 20%.
7. The salesmen are entitled to a commission on of 10% on sales.

OR

From the following trial balance as on 31-03-2015 of Mr. Cris Hemsworth, you are required to prepare final Accounts:

Name of Accounts	Debit	Credit
Stock (01-04-2014)	90,000	
Salary (upto 28-02-2014)	28,600	
Capitals & Drawings	20,000	2,00,000
Debtors & creditors	1,40,000	80,000
Leasehold premises (01-10-2014 for 5 years)	80,000	

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Carriage inward	1,000	--
Carriage outward	2,400	--
Trade expenses	1,600	--
Discount	3,400	3,800
Bad debts and bad debts reserve	2,800	5,800
Cash and Bank	5,000	6,000
Wages	30,000	--
Purchase and sales	2,00,000	5,00,000
Return Accounts	18,000	20,000
Commission	--	1,400
Machineries	50,000	--
10% Investments (30-09-2014)	1,40,000	--
Int. received on Investments	--	3,000
Insurance premium (upto 01-07-2014)	7,200	--
TOTAL	8,20,000	8,20,000

Additional Information:

1. Value of closing stock is Rs. 40,000/- of which value of 90% on stock is 10% less and value of 10% stock is 90% more.
2. Depreciate machineries at 10%.
3. Interest on capital and drawings 10%.
4. Goods burnt by fire Rs. 10,000/- and Insurance co. accepted a claim of Rs. 8000/-
5. Bad debts of Rs. 40,000/- and bad debts reserve of 5% is required to be provided on debtors.
6. Commission due but not received Rs. 2600/- outstanding trade expenses Rs. 200/-
7. During the year goods worth Rs. 4,000/- were distributed as sample.

M024-5

Question 4: Do as Directed (Any ten)

(10)

1. Which of the following equations is not correct?
 - A. Liabilities = Assets - capital.
 - B. Capital = Assets - liabilities.
 - C. Assets = capital + liabilities.
 - D. Liabilities = Assets + capital.

2. The principles of accounting which recognized the double aspect of a business transaction is -
 - A. Single entry.
 - B. Dual aspect.
 - C. Cost concepts.
 - D. Matching concepts.

3. Real accounts are the accounts which relate to -
 - A. Assets only
 - B. Expenses only
 - C. Assets and losses
 - D. Incomes only.

4. Identify the current assets from the following:
 - A. Bills receivables
 - B. Investments
 - C. Furniture
 - D. Goodwill.

5. The principles of accounting which recognized the double aspect of a business transactions is-
 - A. Single entry.
 - B. Dual aspect
 - C. Cost concept
 - D. Matching concepts.

(P.T.O)