

M.Com HPP Sem.-3 (AAA) Examination

CC 11

Financial Accounting and Auditing-I

Time : 2-30 Hours]

November-2024

[Max. Marks : 70]

Q.1 On 1st April,2001, Amazing Construction Ltd. obtained a loan of ₹ 32 crore to be utilized as under:-

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i)	Construction of Sealink across 2 cities	25 crore
ii)	Purchase of equipments & machineries	3 crore
iii)	Working Capital	2 crore
iv)	Purchase of vehicles	50 lakhs
v)	Advance for tools/cranes etc.	50 lakhs
vi)	Purchase of technical know-how	1 crore

Total interest charged by the bank for the year ending 31st March,2002 is ₹80 lakhs

Show the treatment of INTEREST by Amazing Construction Ltd.

OR

Q.1 Describe in detail :-

- i) Benefits of IND AS
- ii) Usefulness of IND AS

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Q.2 (A) The following balances were of Sharda Ltd. as on 31st March, 2024:

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Particulars	Debit ₹	Particulars	Credit ₹
Opening Stock of finished goods (01-04-2023)	1,00,000	Purchase return	4,000
Purchases	2,64,000	Revenue from operation	8,00,000
Wages to employees	40,000	Interest Received	4,200
Salaries to admin staff	8,000	Dividend Received	800
Rent of Premises	10,000		
Miscellaneous office Expenses	7,000		
Bad Debts	4,000		
Interest on borrowed fund	3,000		
Depreciation on Plant	3,000		
Depreciation on Furniture	1,000		

(P.T.O)

Additional Information:

- (i) Stock of finished goods on 31st March, 2024 ₹1,20,000.
- (ii) Further bad debts amounted to ₹3,000.
- (iii) Provide for income tax at 30%.

Prepare the P&L statement for the year ending on 31st March, 2024 as per Schedule-III of Companies Act, 2013.

(B) The following items appeared in the trial balance of Shivani Ltd. on 31-3-2024:

Particulars	Debit Balance ₹	Credit Balance ₹
Provision for Income tax (1-4-2023)	-	80,000
Advance payment of Income tax (1-4-2023)	60,000	-
Advance payment of income tax (paid during the year 2023-24)	80,000	-

Assessment for the year 2022-23 has been completed during the year 2023-24 and tax liability is determined at ₹72,000. Provision for income tax is to be made at ₹1,00,000 for the year 2023-24. Prepare following accounts:

- (i) Tax payable/Refundable Account
- (ii) Provision for Income Tax Account
- Advance payment of Income Tax Account

OR

Q.2 **(A)** Explain audit procedure for verification of Inventory. 14

(B) How will you verify Borrowings? 14

Q.3 A manufacturer sells his products in containers charging them out at Rs 18 each. Customers are credited by Rs. 14 each, if the containers are returned within six weeks. For accounting purposes, at closing, all stocks with customers and in factory are valued at Rs. 12 each, except those representing new ones, which are valued at their purchase price of Rs. 13.

The following particulars are available for the year ended 31st March, 2013 :

	Nos.
Containers with customers (1-4-2012)	13,600
Containers in hand (31-3-'13)	17,300
Containers sent out to customers	21,000
Containers returned by customers	6,800
Containers destroyed by fire	400
Containers sold as scrap (for Rs. 400)	100
Containers in hand (1-4-2012)	10,000

Containers with customers (31-3-2013)	9,200
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Purchases during the year totalled to Rs. 2,86,000

You are required to prepare Containers' Trading Account and Container's Provision

OR

- Q.3** Explain the method of accounting treatment in case of packages which are returnable and which are separately chargeable(Stock account and trading account). **14**
- Q.4** A Trader sells goods on Hire Purchase at cost plus 30% profit. From the following calculate missing figure and prepare hire-purchase trading account and find out profit. **14**

2012		Rs.
Jan.-1	Stock in the shop(at cost)	45000
	Instalment due	14000
	Transactions during the year:	
	Cash received from customers	152500
	Purchases during the year	135000
	Goods repossessed (instalments due	1600
	Rs.5600) valued at	
Dec.-31	Stock in the shop	56400
	Instalment due	22500
	Instalment unpaid and not due	75980

OR

- Q.4** Explain the benefits and limitations of leasing. **14**
- Q.5** Multiple Choice Questions (Attempt any 7 out 12) **14**

1. The amount spent on repair normally increases cost of packages and hence it is debited to
 - A) Container Trading Account
 - B) Container Suspense Account
 - C) Container Stock Account
 - D) None of the Above
2. Which of the following is the containers written by customers if opening balance of containers with customer is 10,000, containers sent to customers is 60,000, Containers returned by customer is 63,000 and closing balance of containers with consumers is 6,000.

- A) 1,000
 B) 2,000
 C) 3,000
 D) 4,000
3. Which of the following account is created with the credit price of containers.
 A) Container Trading Account
 B) Container Provision Account
 C) Container Stock Account
 D) None of the Above
4. What is hire purchase Debtors ?
 A) Due but not received amount
 B) Not due and not received amount
 C) Due and received amount
 D) None of the above
5. Which of the following statements is correct with respect to hire purchase?
 A) Hire Purchase Price = Cash Price – interest
 B) Cash Price = Hire Purchase Price + Interest
 C) Hire Purchase Price = Down Payment + Instalments.
 D) None of the above
6. When goods sold on Hire-Purchase are repossessed, Hire Purchase Trading Account is _____.
 A) Credited with estimated price or cost price
 B) Credited with unpaid instalment
 C) Debited with unpaid instalment
 D) None of these
7. Which of the followings is shown under the head Employee benefit expenses?
 (A) Salaries and wages
 (B) Selling expenses
 (C) Stores
 (D) Administrative Overhead
8. Financial statements include _____.
 (A) Balance Sheet
 (B) P&L statement
 (C) Cash Flow statement
 (D) All of the above
9. Interim dividend paid is shown in _____.
 (A) Cash Flow statement

- (B) P&L statement
 - (C) Balance Sheet (under the head Reserves & Surplus)
 - (D) All of the above
10. What is the name of IND AS-23 ?
- a) Inventories
 - b) Borrowing Costs
 - c) Related Party Disclosures
 - d) Earnings Per Share
11. What is the full form of MCA?
- a) Monetary Chain of Account
 - b) Ministry of Corporate Affairs
 - c) Ministry of Crime adjustments
 - d) Ministry Of Company Allowances
12. What is the FIRST step in the process of Capitalization?
- a) Suspension
 - b) Commencement
 - c) Ceasation
 - d) Dispersion
