

## IMSc (FT) (NEP) Sem.-1 Examination

MDC-FIN-114T

## Fundamentals of Financial Accounting

Time : 2-00 Hours]

February-2025

[Max. Marks : 50

**Instructions:**

- Figures to the right indicate Full Marks.
- Do not write anything on the question paper.
- Simple calculator is allowed. Do not use a scientific calculator.

Q.1 A.	Explain following accounting concepts in detail with suitable practical example: (1) Money Measurement Concept (2) Realisation Concept <b>OR</b>	(10)																								
Q.1 A.	Why is accounting regard as an aid to management?	(10)																								
Q.2 A.	Differentiate between: (1) Liability and Provision (2) Trade Discount and Cash Discount <b>OR</b>	(10)																								
Q.2 A.	Find out merchandise cost, Gross profit, Net Income from the following information:	(10)																								
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Purchase (3,000 articles)</td> <td>25,000</td> </tr> <tr> <td>Freight</td> <td>1,000</td> </tr> <tr> <td>Local Taxes</td> <td>1,000</td> </tr> <tr> <td>Salaries</td> <td>2,500</td> </tr> <tr> <td>Shop Rent</td> <td>500</td> </tr> <tr> <td>Godown Rent</td> <td>500</td> </tr> <tr> <td>Electric Charges</td> <td>600</td> </tr> <tr> <td>Municipal taxes</td> <td>200</td> </tr> <tr> <td>Stationary</td> <td>250</td> </tr> <tr> <td>Furniture (Estimated Life 5 Years)</td> <td>12,000</td> </tr> <tr> <td>Sales (2,700 articles)</td> <td>32,000</td> </tr> </tbody> </table>	Particulars	Amount (Rs.)	Purchase (3,000 articles)	25,000	Freight	1,000	Local Taxes	1,000	Salaries	2,500	Shop Rent	500	Godown Rent	500	Electric Charges	600	Municipal taxes	200	Stationary	250	Furniture (Estimated Life 5 Years)	12,000	Sales (2,700 articles)	32,000	
Particulars	Amount (Rs.)																									
Purchase (3,000 articles)	25,000																									
Freight	1,000																									
Local Taxes	1,000																									
Salaries	2,500																									
Shop Rent	500																									
Godown Rent	500																									
Electric Charges	600																									
Municipal taxes	200																									
Stationary	250																									
Furniture (Estimated Life 5 Years)	12,000																									
Sales (2,700 articles)	32,000																									

Q.3 A. From the following Ledger balances of Varun LTD., prepare the Balance Sheet of the company as on 31st March 2024 as per Schedule III of the Companies Act, 2013. (10)

Particulars	Rs.	Particulars	Rs.
Plant & machinery	6,00,000	Immovable property	10,00,000
8% Debenture	8,00,000	Public deposit	5,00,000
Employee's provident Fund	1,30,000	Provision for taxation	1,80,000
Securities premium	80,000	Drafts on hand	5,00,000
Cash at bank	34,000	Bills Receivable	2,40,000
24000 fully paid Equity shares of Rs.100 each, Rs.50 called up	12,00,000	Brokerage on issue of shares	1,10,000
Sundry Creditors	1,16,000	Bank overdraft	1,50,000
Loan to Manager	70,000	Security Deposit	1,24,000
Deposits with ICICI Bank (5 years)	1,98,000	Trade marks	1,80,000
Prepaid insurance	1,00,000		

OR

Q.3 A. From the following Ledger balances of Dhruv LTD., prepare the Balance Sheet of the company as on 31st March 2024 as per Schedule III of the Companies Act, 2013. (10)

Particulars	Rs	Particulars	Rs
Office Equipment	4,80,600	General Reserve	4,15,000
9% Debentures in APCOLtd	2,45,000	Creditors for Goods	1,68,500
Loose Tools	1,63,000	Creditors for expenses	36,000
Plant & machinery	18,00,000	Cash Credit	75,000
Computer Software	83,250	Mortgage loan	3,10,000
Debtors for goods	1,90,000	8% Preference share capital	5,50,000
Advertisement (unwritten off)	30,000	Equity Share Capital	15,00,000
Stores & Spares	1,00,200	Staff Welfare Fund	85,000
Interest accrued on investment	51,000	Provision for Taxation	26,550
Cash at Bank	23,000		

**Q.4 A.** You are given the following information from the books of RAJ Co. Ltd., as on 31st March 2024. Prepare Vertical Income Statement. (10)

Particulars	Rs.	Particulars	Rs.
Depreciation on premises	8,000	Sales	12,40,000
Opening stock	40,000	Equity share capital	8,00,000
Salary	1,14,000	Outstanding wages	6,000
Bad debts	3,800		
Materials consumed	8,00,000		
Bonus to employees	20,000		
Interest on loan	16,000		
Depreciation on machinery	20,000		
Conveyance	4,000		
Loss on sale of machinery	20,000		
Insurance	16,200		
Sales return	40,000		
Provision for tax	60,000		
Machinery	6,00,000		
PF contribution	86,000		
Premises	1,60,000		
Computer	40,000		
	20,46,000		20,46,000

**Additional information-**

Closing stock was valued at Rs.1, 20,000

**OR**

**Q.4 A.** From the following information Prepare Vertical Income Statement as per revised schedule III of Companies Act,2013 (10)

Particulars	Rs.
Excise Duty	16,000
Provision for tax	20,000
Depreciation on Machinery	6,600

<b>Sundry expenses</b>	<b>14,000</b>
<b>Rent</b>	<b>8,000</b>
<b>Salaries</b>	<b>15,000</b>
<b>Materials consumed</b>	<b>1,80,000</b>
<b>Machinery</b>	<b>50,000</b>
<b>Director's remuneration</b>	<b>40,000</b>
<b>Factory expenses</b>	<b>5,000</b>
<b>Sales</b>	<b>9,10,000</b>
<b>Returns in ward</b>	<b>10,000</b>
<b>Purchases</b>	<b>4,70,000</b>
<b>Closing stock</b>	<b>1,50,000</b>
<b>Opening stock</b>	<b>1,64,000</b>
<b>Wages</b>	<b>60,000</b>
<b>Bank loan</b>	<b>80,000</b>
<b>Interest on Bank loan</b>	<b>8,000</b>
<b>Interest on Investment</b>	<b>10,000</b>
<b>Rent received</b>	<b>6,000</b>
<b>Motive power</b>	<b>24,000</b>
<b>Transport Charges</b>	<b>2,000</b>

- Q.5** State whether each of the following statement is 'True' or 'False': (Any ten) (10)
1. Accounting is the language of the business.
  2. Accounting records only transactions which are of a financial character.
  3. Book-keeping is an old as money itself.
  4. Accounting principles are rules of action or conduct which are adopted by the accountants universally while recording accounting transaction.
  5. Accrual concept implies accounting on cash basis.
  6. Accounting standards and accounting principles are one and the same thing.
  7. Change in accounting principle should always be accounted for in current and future periods.
  8. Floating assets are assets those whose value change constantly.

	<p><b>9. Financial statements prepared according to conventional accounting system fail to reflect current economic realities.</b></p> <p><b>10. The term price level accounting and inflation accounting are synonymous.</b></p> <p><b>11. The 'Social Cost' includes only such costs which the society will have to pay in monetary terms.</b></p> <p><b>12. Conventional accounting practices ignore human resources altogether.</b></p> <p><b>13. No dividend can be paid on call in advance.</b></p> <p><b>14. Managerial remuneration is to be calculated before providing for taxation.</b></p>	
--	--	--