

## ILLB Sem.-1 Examination

## ILBCom-103

## Financial Accounting I

May-2025

Time : 2-30 Hours]

[Max. Marks : 70

Q.1 Answer any six out of following:

(18M)

1. What is the meaning of Accounting? Explain Users of accounting.
2. Explain types of Assets.
3. Explain the Prudence concept.
4. Discuss the Money Measurement Concept.
5. Short note on Reserves, Provision and Contingent Liability.
6. Explain the Consistency Concept.
7. Discuss the Golden Rules of Accounting.

Q.2 The Sunrise Club presents the following Trial Balance on 31/3/2024, prepare an Income and Expenditure Account and Balance sheet as on the same date :

(18M)

Debit balances	Rs.	Credit balances	Rs.
Office staff salary	20,000	Income from Entertainment	
Postage telegram expenses	2,400	Program	30,000
Honorarium to secretary	24,000	Interest on Investment	4,480
Sundry expenses	6,400	Subscription	1,60,000
Repairs	1,600	Sale of old newspapers	800
Subscription for newspapers	5,400	Entrance fee	7,200
Free ship given from Education fund	8,000	Donation	31,200
Education fund Investment	60,000	Education Fund	60,000
Canteen's expenses	37,000	Income from Education	
Expenses for Entertainment		Fund Investment	5,600
Program	18,200	Canteen's income	52,000
Purchase of sports equipment (1/1/2024)	23,200	Sundry Income	3,720
Purchase of Furniture (1/10/2023)	10,000	Capital Fund	2,70,000
Sports equipment	1,10,000		
Investments	44,800		
Fixed deposit in bank	40,000		
Building	1,80,000		
Furniture	24,000		
Cash Balance	10,000		
	6,25,000		6,25,000

(P.T.O)

**Additional Information :**

- (1) Honorarium to secretary outstanding Rs. 6,000.
- (2) Subscription due Rs. 10,000 and subscription received in advance Rs. 12,000.
- (3) Half of the entrance fees is capitalised.
- (4) Interest due on education fund investments is Rs. 400.
- (5) Provide depreciation at 10% on Sports Equipment and 6% on Furniture per annum.

OR

Q.2 (a) Difference between Final Accounts of Trading and Non Trading concern. (10M)

Q.2 (b) Explain the terms Capital Receipt and Revenue Income (8M)

Q.3 From the following ledger balances of "Tech Solutions" prepare Trading Account and Profit & Loss Account for the year ending 31/03/2024 and Balance Sheet as on that date. (18M)

Particular	Amount	Particular	Amount
Capital	5,00,000	Sundry expenses	16,000
Opening stock	1,50,000	Drawings	30,000
Sales	10,00,000	Discount received by consumers	6,250
Salary (up to 28 <sup>th</sup> February 2024)	41,250	Bad debts recovered	2,250
Debtors	1,01,000	Purchases	7,50,000
Carriage outward	4,500	Building	3,07,500
5% mortgage loan (Cr.) (Dt. 1 <sup>st</sup> October 2023)	45,000	Insurance premium (for year ending 30 <sup>th</sup> June 2024)	6,000
Wages	75,000	Postage and telegram	4,500
Goods return by consumers	25,000	Cash and bank balance	22,500
Creditors	85,000	Bad debts	2,500
Rent	22,500	Bad debts reserve	2,750
Octroi	2,000	Reserve for discount on creditors	2,000
Furniture	16,500	Depreciation on building	5,000

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Plant and machinery	61,250	Sale of furniture (1 <sup>st</sup> April 2023)	1,250
Goods return to supplier	12,500	Outstanding wages	2,500

**Additional information :**

- (1) Closing stock is ₹2,10,000 of which the market value of 10% stock is less by 10%.
- (2) The goods purchased by Sudhir for ₹1,000 were returned by him on 20/3/24. This was not recorded in the books.
- (3) Depreciate plant and machinery and furniture by 10%.
- (4) An amount of ₹12,500 paid for court fees for purchase of building was debited to sundry expenses account.
- (5) Write off ₹2,500 as bad debts and provide 5% bad debts reserve.
- (6) On 1/10/23, brought personal furniture worth ₹10,000 in the business. This was not recorded in the books.
- (7) Charge 5% interest on Capital.
- (8) On 1/4/23, a machine worth ₹3,000 was sold for ₹2,500. This amount is included in the sales.
- (9) The book-value of furniture sold was ₹1500.

OR

Q.3 (a) Prepare a specimen format of a Manufacturing Account for a financial year. (10M)

Q.3 (b) Write the difference between trial balance and balance sheet. (8M)

Q.4 (a) Write Short notes : (Any Two) (10M)

- (1) Criticism of Tally.
- (2) Steps to create a Company in Tally.
- (3) Mention any five Short cut keys used in Tally

Q.4 (b) Objectives (6M)

(1) Creditor account is .....

- a. Personal account
- b. Nominal account

(P.T.O)

- c. Real account
- d. all of the above

(2) Receipt – payment account is similar to .....account. While income expenditure account similar to ..... account.

- a. Profit and loss , cash
- b. Balance sheet, profit and loss
- c. Cash, profit and loss
- d. Profit and loss , balance sheet

(3) Patent account is which type of assets?

- a. Tangible assets
- b. Intangible assets
- c. Fictitious assets
- d. Current assets

(4) Provident Fund is considered as an assets. (True/ False)

(5) Balance sheet is an account. (True/ False)

(6) Income and Expenditure account is not same as Trading account. (True/ False)

