

Seat No. : _____

NF-136

November-2018

B.Com. LL.B., Sem.-I

IL B.Com.-103 : Financial Accounting

Time : 2:30 Hours]

[Max. Marks : 52

1. What is accounting ? Explain Scope and utility of accounting. Write three golden rules of account. Explain users of accounts. **18**

OR

- (A) Explain types of assets and liabilities. Explain concepts of accounting. **10**
(B) Explain difference between provisions and reserves. **8**

2. From the given below trial balance and additional information of Sahyog Trust prepare an income-expenditure account for the year ending 31-3-2017 and balance sheet as on that day. **18**

Trial Balance as on 31-3-2017 of Sahyog Trust

| Particular | Debit Balance Amt.(₹) | Credit Balance Amt.(₹) |
|--------------------------------------|----------------------------------|-----------------------------------|
| Capital fund | — | 20,000 |
| Cash on hand | 3,000 | — |
| Bank balance | 2,500 | — |
| 15% loan (1-7-2016) | — | 20,000 |
| Furniture | 10,000 | — |
| Club house | 40,000 | — |
| Taxes and insurance | 3,000 | — |
| Honorarium to secretary | 4,500 | — |
| Entrance fee (1/2 to be capitalized) | — | 5,000 |
| Subscription received in advance | — | 1,500 |
| Colour work expense | 6,600 | — |
| Stationery | 2,000 | — |
| Legal charges | 500 | — |
| Subscription | — | 20,000 |
| Repairing expense | 500 | — |
| Interest on loan | 1,000 | — |
| Income of entertainment programme | — | 10,000 |
| Expense of entertainment programme | 6,400 | — |
| Hall rent | — | 3,500 |
| | 80,000 | 80,000 |

Adjustment :

- (1) Subscription of ₹ 1,500 outstanding for the year 2016-17.
- (2) Provide 5% depreciation on club house and furniture.
- (3) Closing stock of stationary is ₹ 200.
- (4) Honorarium outstanding of secretary ₹ 1,500.
- (5) 2/3 of colour work expense is to be carried forward to next year.
- (6) Insurance paid in advance ₹ 400.

OR

- (A) What is Non-Trading concern ? Give its illustrations. Explain characteristics of Non-Trading concern. 10
- (B) Explain difference between accounts of Trading concern and accounts of Non-trading concern. 8

3. The following is the trial balance of Dharmil as on 31-03-2017. 16

| Name of account | Debit (₹) | Credit (₹) |
|------------------------|-----------------|-----------------|
| Gross profit | — | 5,00,000 |
| Salary | 99,000 | — |
| General expenses | 11,000 | — |
| Tax-insurance | 12,000 | — |
| Sundry Debtors | 2,00,000 | — |
| Closing stock | 22,000 | — |
| Bank overdraft | — | 10,000 |
| Commission | — | 15,000 |
| Advertisement expenses | 15,000 | — |
| Interest | 5,000 | — |
| Furniture | 80,000 | — |
| Building | 3,00,000 | — |
| Motorcar | 1,00,000 | — |
| Capital | — | 2,38,000 |
| Drawings | 10,000 | — |
| Bad-debts | 6,000 | — |
| Bad-debts reserves | — | 10,000 |
| Loan | — | 40,000 |
| Creditors | — | 20,000 |
| Bills receivable | 5,000 | — |
| Bills payable | — | 15,000 |
| Carriage outward | 4,000 | — |
| Discount allowed | 8,000 | — |
| Discount received | — | 4,000 |
| General reserve | — | 30,000 |
| Cash balance | 5,000 | — |
| | 8,82,000 | 8,82,000 |

Adjustment :

- (1) Salary outstanding at ₹ 4,500 per month of two employees for one month.
- (2) ₹ 2,000 being insurance premium for the year ending on 30-09-2017.
- (3) Commission of ₹ 3,000 is receivable.
- (4) Calculate depreciation at 5% on furniture, at 10% on building and at 20 % on motorcar.
- (5) Write off ₹ 10,000 as bad debts reserve.
- (6) Provide 5% bad debt reserve.
- (7) Provide 2% debtors discount reserve.
- (8) Calculate 10% interest on capital and 12% interest on drawings.
- (9) Transfer ₹ 20,000 to general reserve.

From the above information, prepare final account of Dharmil for the year ending as on 31-3-2017.

OR

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|-----------------------------------------------------------------------------|----------|
| (A) What are financial statement ? State objectives of financial Statement. | 8 |
| (B) Explain difference between Trial balance and Balance sheet. | 8 |
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