

Mar-17

KT

F4BCBF / Sem I / Financial Accounting-I / 08-03-17

Q.P. Code :00325

[Time:  $2\frac{1}{2}$  Hours]

[ Total Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. Q. 1 is compulsory
  2. Q.2 to Q.5 having internal options.
  3. Figures to right indicate full marks.
  4. State your assumptions clearly.

Q.1 A. Multiple choice (Any 8/10)

(08)

1. Goods returned to the suppliers should be accompanied by \_\_\_\_\_.  
a) bill (b) cash memo (c) Debit note (d) credit note
2. Bank reconciliation statement is prepared by \_\_\_\_\_.  
a) trader (b) bank (c) seller (d) student
3. A trial balance is a list of \_\_\_\_\_ accounts  
a) personal (b) Real (c) Nominal (d) Ledger
4. Income tax appears in trial balance \_\_\_\_\_ column.  
a) debit balance (b) credit balance (c) L.F (d) Income
5. A transaction not recorded at all is called as an error of \_\_\_\_\_.  
a) principle (b) complete omission (c) partial omission (d) duplication
6. Interest on investment is \_\_\_\_\_ of business concern.  
a) A Profit (b) A Loss (c) An expense (d) An income
7. All the items of income are shown on the credit side of \_\_\_\_\_ account.  
a) Balance sheet (b) Profit & Loss (c) Manufacturing (d) none of them
8. The method of valuation of closing stock is to \_\_\_\_\_.  
a) value at cost (b) value at market price (c) value at cost or market price whichever is lower (d) value at cost or market price
9. Depreciation under Hire purchase system is charged on \_\_\_\_\_.  
a) cash price (b) Hire purchase price (c) Hire purchase price or cash price whichever is higher (d) none of the above
10. Bank gives overdraft facility to \_\_\_\_\_ account  
a) current (b) saving (c) fixed deposit (d) recurring

Q.1 B. State whether above statements are True/ False. (Any 7/10)

(07)

1. Accounting is useful for the owner.
2. Book keeping is an art as well science.
3. Personal transaction of proprietors is recorded in the books of accounts of business.
4. Only withdrawal slip is used to withdraw the amount from the bank.
5. A journal voucher is must for all transaction recorded in the journal

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6. A person who endorses the cheque is known as endorser.
7. Narration is not necessary in ledger.
8. Interest credited in pass book is an income to the customer.
9. Purchase account always shows debit balance
10. Errors of omission are committed by clerks.

Q.2 Journalise the following transactions in the book of Shri Herambh and also prepare necessary ledger Accounts. (15)

2016 April

- 01 - Herambh started business with cash Rs. 71,000.
- 02 - Purchased goods from Mahesh Rs.20,000 on credit.
- 05 - Deposited cash into Bank of India Rs.30,000
- 09 - Sold goods to Dhanraj Rs.25,000 on credit.
- 11- Purchased furniture of Rs. 10,000 for cash.
- 14 - Paid to Mahesh by cheque of Bank of India Rs.10,000
- 18 - Received a bearer cheque for Rs.15,000 from Dhanraj.
- 30 - Paid salary by cheque Rs.4000

OR

Q.2 A) Prepare Bank Reconciliation statement as on 31<sup>st</sup> December 2016 of Mr. Nilesh (08)

- i) Bank overdraft as per Cash Book Rs.5000
- ii) Cheque issued but not recorded in Cash Book Rs.2,500
- iii) Bank charges not recorded in cash book Rs.250.
- iv) Charges deposited and collected by bank as per bank statement but not entered in Cash Book Rs.750.
- v) Interest charged by bank recorded twice in the Cash Book Rs.500.
- vi) Bank paid dues as per standing instructions but not recorded in the Cash Book Rs.300.
- vii) Cheque issued by Mr. Nilesh returned dishonoured Rs.1,000.
- viii) Cheque deposited but not credited by bank Rs.900.

Q.2 B) A trial balance shows excess debit of Rs.2800 which was transferred to Suspense A/c. following errors were then located. Rectify them and prepare Suspense A/c. (07)

- 1) Salary paid Rs.16,000 to Pinal was debited to Pinal's A/c.
- 2) Goods purchased of Rs.3,500 from Ajay were recorded as Rs.35000 in the purchase Book.
- 3) Rs.1600 paid for printing bill was posted to credit side of Printing Bill A/c.
- 4) Purchased goods from Rajesh worth Rs.7,700 not posted to his account in purchase book.
- 5) Freight paid Rs.8300 was posted twice to freight A/c
- 6) Total of purchase book Rs.23,000 was posted to purchase account as Rs.13,000

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Q.3 State, giving reasons whether you will consider the following items as Capital, Revenue or Deferred Revenue. (15)

- 1) Cost incurred in replacing worn out but costly spare parts of a machine.
- 2) Repairing of the building.
- 3) A sum of Rs2500 previously written off as bad debts now recovered in this year.
- 4) Legal expenses incurred in an action for infringement of trademark.
- 5) Rs.25000 spent for replacing the electric motor of a machinery. The motor was destroyed by fire.
- 6) Travelling expenses of a director for going to Germany to purchase a new machinery.
- 7) Expenditure on uniforms for the staff.

OR

Q.3 The following particulars have been extracted in respect of Material 'A'. Prepare a Stores Ledger Account showing the receipts and issues, pricing the material issued on the basis of :- (15)

- a) Weighted Average Method
- b) First In First Out Method

Receipts:

i)	01-10-2016	opening stock	200 units at Rs.3.50 per unit.
ii)	03-10-2016	purchased	300 units at Rs.4.00 per unit.
iii)	13-10-2016	purchased	900 units at Rs.4.30 per unit.
iv)	23-10-2016	purchased	600 units at Rs.3.80 per unit.

Issues:

i)	05-10-2016	issued	400 units
ii)	15-10-2016	issued	600 units
i)	25-10-2016	issued	400 units
i)	26-10-2016	issued	200 units

Q.4 From the following trial balance as on 31-03-2016 and after considering the other information you are required to prepare Manufacturing A/c, Trading and Profit & Loss A/c of the M/s S.S trading Co. for the year ended on 31-03-2016. (15)

Particulars	Debit Rs.	Credit Rs.
Capital A/c		4,40,000
Drawings A/c	38,000	
Land	20,000	
Building	50,000	
Plant & machinery	1,00,000	
Loose tools	10,000	
Bills receivable & bills payable	20,000	60,000
Bank balance	16,000	
Cash on hand	1,000	
Opening Stock (RM)	40,000	

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Purchase (RM)	11,00,000	
Sales of finished goods		14,80,000
Returns	14,000	10,000
Wages	66,000	
Carriage inward	6,000	
Carriage outward	7,600	
Power & fuel	17,200	
Salaries	44,000	
Rent	2,200	
Discount		500
Debtors & Creditors	4,49,000	90,000
Advertisement expenses	5,000	
Bad debts	1,000	
Water charges	4,800	
Stores	2,000	
Furniture	4000	
Stationery & printing	4,000	
General expenses	35,800	
Insurance	7,700	
Repairs to machinery	3,200	
Extension to building	12,000	
<b>TOTAL</b>	<b>20,80,500</b>	<b>20,80,500</b>

Other information:

- 1) Stock of raw material as on 31-3-2017 was Rs.20,000. There was no opening and closing stock of finished goods.
- 2) Depreciation plant & machinery @ 10%, Loose tools @ 10%, furniture @ 10%, building @5%
- 3) Provide for doubtful @ 5% and for discount on sundry debtors @2%.
- 4) Rent amounting to Rs.200 for march is not paid.
- 5) Insurance amounting to Rs.1500 is for the next year.

OR

Q.4 On 1<sup>st</sup> January 2016 Amir purchased an Audio system on Hire purchase system. The terms of contract were as under: (15)

- a) The cash price of the audio system was Rs.1,30,000
- b) Rs.40000 was to be paid on the signing of the contract.
- c) The balance was to be paid in annual installments of Rs..30000 each plus interest.
- d) Interest chargeable on the outstanding balance was 6% p.a.
- e) Depreciation @ 10% p.a. is to be written off W.D.V basis.

You are required to prepare for 3 years:-

1. A statement showing calculation of interest.
2. Audio system's A/c
3. Depreciation A/c
4. Vendor company's A/c

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Q.5 a) What are the main functions of accounting?

(08)

b) Distinguish between FIFO & Weighted average method.

(07)

OR

Q.5 Write short note (any 3/5)

(15)

a. Manufacturing Account

b. Capital Expenditure

c. Accounting Standard – 1

d. Capital & Drawings

e. Purchase book