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FACULTY OF COMMERCE AND MANAGEMENT
B. Com (NEP) (P-2024) Sem I
Examination November / December 2025
Financial Accounting - I

[Time: 2 Hours]

[Max. Marks: 60]

Please check whether you have got the right question paper.

N. B

1. Q. No. 1 is compulsory.
2. Solve any four questions out of remaining Q. 2 to 5.

Q1 A. Fill in the blanks

1. The term "Journal" is derived from French word _____
2. Depreciation follows _____ of accounting concepts.
3. The seller in the hire purchase transaction is called _____
4. Interest on Drawing is credited to _____ Account.
5. Short working can be recouped out of _____



10

B. Write True or False

1. Rules of action or conduct adopted by the accountants universally while recording accounting transaction is called as Accounting Principles.
2. Under instalment system the relationship between the buyer and seller is that of a debtor and creditor.
3. Patent Royalties is based on Production.
4. Depreciation is fixed every year in the Written Down Value Method.
5. Balance Sheet shows the financial position of business on a specific date.

10

Q2 Jayesh Traders purchased a machine on 1st April 2019 costing ₹ 60,250 and spent ₹ 2,250 on its installation charges. The estimated life of the machine is 10 years and its scrap value at the end of its life will be ₹ 2,500. The books are closed on 31st March every year. Give the Machinery Account and Depreciation Account for the first four years, depreciating by Fixed Instalment Method. 10

Q3 Kailash Hotel purchased furniture on instalment system from Nil Kamal Enterprises on 1st January 2020. The cash price of the machine was ₹ 11,98,500 payable. When agreement was ₹ 3,00,000 down payment and remaining payment was three installments of ₹ 4,50,000, ₹ 3,75,000, and ₹ 1,50,000 payable on 31st December every year. Interest is to be charged at 5% p.a. and depreciation charged on furniture 20% p.a. on Diminishing Balance Method of depreciation. You are required to prepare necessary Ledger Accounts in the books of Nil Kamal Enterprises. 10

Q4 From the following Trial Balance of Raj and Sons and the additional information given below, prepare Trading and Profit & Loss Account for the year ending 31st March 2023 and Balance Sheet as on that date. 10

Trial Balance as on 31st March 2023

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Stock (01-04-2023)	60,000	Capital	3,00,000
Purchases	2,00,000	Sales	2,00,000

Wages	8,500	Return Outwards	4,000
Carriage	6,000	Sundry Creditors	95,000
Salaries	30,000	Bills Payable	85,000
Rent, Rates & Taxes	10,000	8% Loan (Taken on 01.10.2022)	50,000
Insurance	7,000	Bank Overdraft	37,000
Royalties	5,000	Rent Received	5,200
Discount	6,500		
Courier Charges	4,200		
Bad Debts	8,000		
Trade Expenses	3,500		
Drawings	7,500		
Machinery	1,50,000		
Furniture	75,000		
Patents	45,000		
Sundry Debtors	1,00,000		
Trade Mark	50,000		
	7,76,200		7,76,200

Adjustments:

1. Closing stock value at ₹ 3,00,000 cost price and ₹ 3,20,000 at market price.
2. Salaries were paid for 10 months only.
3. Insurance is paid for one year ending on 30th June 2023.
4. One of the Debtors, Mr. Amit, became insolvent, from whom ₹ 5,000 was not received.
5. 5% R.D.D. is to be maintained on Debtors.
6. Depreciate Machinery and Furniture by @ 10% and @ 5% respectively.

- Q5** The Bihar Coal Co. Ltd. holds a lease of coal mines for a period of twelve years, commencing from 1st April 2006. According to the lease, the company is to pay ₹ 7.50 as royalty per ton with a minimum rent of ₹ 1,50,000 per year. Short workings can be recovered out of the royalty in excess of the minimum rent of the next two years only. For the year of a strike, the minimum rent is to be reduced to 60%. The output in tons for the 6 years ending 31st March 2012 is as under:

2006-07: 10,000;
 2007-08: 12,000;
 2008-09: 25,000;
 2009-10: 20,000;
 2010-11: 50,000;
 and 2011-12: 15,000 (strike).

Write up the necessary Ledger Accounts in the books of Bihar Coal Co. Ltd.

- Q6** What is Hire Purchase System? How does it differ from Instalment System?
- Q7** Write short notes on (any Two)
- a) Recoupment of Short Working
 - b) Causes of Depreciation
 - c) Manufacturing Account

