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SUBJECT CODE NO: - X-3039
FACULTY OF COMMERCE & MANAGEMENT
B.Com F.Y (Sem. I)
Examination March / April - 2023
Financial Accounting - I

[Time:3:00 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N. B

- 1) Question No. 1 is Compulsory.
- 2) Attempt any four questions from Q. 2 to Q. 7.
- 3) Use of calculator is allowed.

Q1 A] Select the most appropriate answer.

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- 1) Patents and copyrights are _____
a) current Assets b) Fixed Assets c) Intangible Assets d) Investments
- 2) Balance sheet is a statement of.....
a) Assets b) Liabilities c) Capital d) All of the above
- 3) The account that records is
a) Personal Account b) Real Account
c) Nominal Account d) None of the above
- 4) The following is the current Liability
a) Plant and machinery b) share capital
c) Bills payable d) All of the above.
- 5) Identify the nominal account
a) Machinery account b) Building account
c) Ram account d) Profit and Loss Account.

B] Answer the following questions in one sentence each:

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- 1) What is gross profit?
- 2) What do you mean by bad debts?
- 3) what is meant by final account?
- 4) why is Trading Account prepared?
- 5) What is depreciation?

C] Fill in the blanks and rewrite the sentences:

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- 1) Debit balance of the trading account is
- 2) Goodwill is Assets.
- 3) List of Balances of all the accounts in ledger is called
- 4) opening stock is entered in a trading account on the side.
- 5) Loss on sales of machinery will be created to account.

D] state the following statements are whether True or False:

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- 1) Final accounts are prepared on the basis of Trial Balance.

- 2) Balance sheet is a statement and not a account.
- 3) capital account is a Personal account.
- 4) Amount of prepaid expenses appears an assets side.
- 5) Trading Account is a part of profit and Loss Account.

Q2 From the following Trial balance of Mr. Ram as on 31 March 2018, Prepare Trading account, profit and loss Account and Balance sheet as on that date. 15

Trial Balance		
Particular	Debit (Rs)	Credit (Rs)
Capital	-	2,00,000
Land and Building	87,000	-
Machinery	17,500	-
Good will	20,000	-
Drawings	22,600	-
Cash	1,795	-
Opening stock	27,000	-
Wages	10,000	-
Purchases	69,000	-
carriage inward	600	-
Commission	6,000	-
Insurance	2,000	-
Motor car	3,000	-
carriage outward	1,400	-
salary	5,000	-
Bank charges	105	-
Debtors	20,000	-
Sales	-	84,000
R.D.D.	-	1,500
Creditors	-	7,500
	2,93,000	2,93,000

Adjustments:

- 1) closing stock Rs. 46,000/-
- 2) Prepaid insurance Rs. 800/-
- 3) outstanding salary Rs. 1000/-
- 4) Depreciate machinery at 10% and Motor Car by 20%.
- 5) R.D.D. on Debtors at 10%

Q3 Discovery Ltd. acquired a five years lease for Rs 20,000 on 1 St, January, 2014, They 15
decided to write off depreciation on the Annuity method assuming the rate of interest to
be 5% P. q. the annuity table shows that sum of Rs 4620 Should be written of every year
Show Lease Account for five years

Q4 Vishal Company Purchased from Nilesh company a computer on Instalment basis. The 15
cash price is Rs. 87200 and it is agreed to Pay as under.

Rs. 25,000 to be paid on taking the delivery and signing the agreement on 1st, Jan,
2016 and the remaining in three instalments of Rs. 25,000 Payable on the end of the
year.

Nilesh company charged interest at 10%. P. a. on amount due. Vishal Company
Writes of 20% depreciation every year on Fixed instalment basis.

Prepare: -

- 1) Computer Account
- 2) Nilesh Account
- 3) Interest suspense Account

in the books od Vishal company Ltd.

Q5 The Nagpur Colliery Company Ltd. tock from d landlord a lease of a coal-field for a 15
period of 10 years from 1st January 2014. on a Royalty of Rs. 2.50 Per ton of coal
extracted with a minimum Rent of Rs. 25,000 Per year and Power to recoup short
working during the First five years of the lease.

The annual output was as follows.

year	Output (tons)
2014	6,000
2015	9,000
2016	11,000
2017	12,000
2018	15,000

Write up: -

- 1) Royalty Account

- 2) landlords Account
 - 3) Short workings Account
- in the books of Nagpur colliery Company Ltd.

Q6 What is hire purchase system and explain the objectives and characteristics. 15

Q7 Write short notes (any Three) 15

- i) Classification of Accounts
- ii) Trial Balance
- iii) Trading Account
- iv) Reducing Balance method
- v) Total Asset value method.