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SUBJECT CODE NO:- C-3039
FACULTY OF COMMERCE & MANAGEMENT
B.Com F.Y (Sem-I)
Examination November/December- 2022
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.

Q.1 Select the most appropriate answer: 05

- 1) List of balances in all accounts in ledger is called-----
 - a) Balance sheet b) Profit and Loss Account c) Trading account d) Trial balance
- 2) Under the installment system the risk of loss is borne by -----
 - a) Buyer b) Hirer c) Hirer Vendor d) Debtors
- 3) Single entry system is -----
 - a) Not a systematic account b) Correct method of account
 - c) Scientific method of account d) All of the above
- 4) Good will is -----assets
 - a) Current Assets b) Fixed assets c) Intangible assets d) All of the above
- 5) Gross loss transferred to -----
 - a) Profit and loss account b) Balance sheet c) Trading Account d) All of the above

B] Answer the following questions 05

- 1) What is Trial Balance?
- 2) What is the Bad debts provision?
- 3) What is Gross profit?
- 4) What do you mean by net profit?
- 5) Why is trading account prepared?

C] Fill in the blanks and rewrite the sentences. 05

- 1) Credit balance of the profit and loss account is -----
- 2) Opening stock is entered in a trading account on the -----side
- 3) Land and Building is -----Assets
- 4) List of balances of all the account in ledger is called -----
- 5) Gross profit is transferred to -----

D] State the following statements are whether true or false:

- 1) An amount of net profit is added to the capital.
- 2) All indirect expenses are debited to trading account.
- 3) Capital account is a personal account.
- 4) Machinery is a fixed assets
- 5) Final accounts are prepared on the basis of Trial Balance.

Q.2 Following is the Trial balance of Mr. Ram Traders as on 31 March 2018, prepare Trading Account, Profit and Loss Account and Balance Sheet as on date. 15

Trial Balance

Particular	Debit (Rs)	Credit (Rs)
Capital		1,25,500
Sales		1,15,000
Rent		3,500
Building	80,000	
Computer table	10,000	
Computer	40,000	
Travelling Exp.	4,000	
Printing & Stationery	3,000	
Computer repairs	900	
Salaries	15,000	
Debtors	9,600	
Motor car	37,000	
Creditors		9,000
Bank Overdraft		12,000
Bad debts	1,500	
Wages	7,000	
Opening stock	7,000	
Purchase	30,000	
Carriage inward	2,000	
Cash in Hand	1,000	
Cash at bank	5,000	
Discount	4,000	
Drawings	5,000	
Advertising	3,000	
	2,65,000	2,65,000

Adjustment: -

- 1) Wages are outstanding for Rs. 1000/-
- 2) Depreciation computer by Rs. 2000/- and motorcar by Rs. 600/-
- 3) Closing stock Rs. 10,000/-
- 4) R.D.D 5% on debtors
- 5) Outstanding salary Rs.3000/-

Q.3 On 1st January, 2016 the Asian Ltd, acquired a lease hold property for Rs. 50,000 for a period of 15 three years. The company decided to provide for its replacement by setting up a depreciation fund. The expected rate of interest on investment is 10% p.a. the sinking fund table shows that an annual payment of Rs 0-30211 at 10% p.a compound interest will amount to Rs 1 in 3 years.

On 31st December, 2018 the investments were sold at book value

Prepare: -

- 1) Depreciation fund account
- 2) Depreciation fund investment account
- 3) Leasehold property account

Q.4 Shoba Brother purchased machinery from Crompton Ltd. on instalment system on 1st. January, 15 2016. The cash price of the machinery was Rs 70,000. Rs 10,000 were paid on signing the agreement and the balance in annual instalments of Rs 20,000 plus interest at 12% per annum.

Shoba Brothers charged depreciations at 20% per annum on written down value

Prepare: -

- 1) Machinery account
- 2) Crompton Ltd Account
- 3) Interest suspense account in the books of Shoba Brothers

Q.5 Rajesh mining company took a coal field on lease from Bose brothers from 1st, January 2015. 15 Royalty was at Rs 2 per ton of coal taken out. Minimum rent was Rs 20,000 per year. Short workings were to be recovered within the first four years of the contract. The coal taken out during the first four was as follows.

Year	Tons
2015	4000
2016	7000
2017	11,000
2018	17,000

Prepare journal entries in the books of Rajesh mining comp.

Q.6 Explain the meaning and concept of hire purchase system and difference between hire-purchase system and instalment payments system. 15

Q.7 Write short notes (any three) 15

- 1) Accounting cycle
- 2) Profit and loss account
- 3) Fixed installment method
- 4) Asset accrual method
- 5) Bad debts (Debtors)