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SUBJECT CODE NO: - CC-3509
FACULTY OF COMMERCE AND MANAGEMENT
B.Com F.Y (Sem-I)
Examination December/January-2022-23
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) Solve any Four Questions from Q. No. 2 to 2.No.7.

Q1 A) Select the most appropriate answer from the alternatives given below -

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- (1) Excess Of Expenses over income is called -----
 a) Profit b) Loss c) Liability d) None of these
- (2) Good will is----- Asset of business.
 a) A Tangible b) an Intangible c) a fictitious d) None of these.
- (3) The hire purchase transactions are Governed by the -----
 a) H.P. Act- 2002 b) H.P. Act - 1990 c) H.P. Act 1972 d) None of these.
- (4) Unrecouped short working is transferred to-----Account.
 a) Trading Account. b) Profit & Loss Account.
 c) Reserve Account d) None of these.
- (5) Book-keeping is a ----- science
 a) Pure b) Natural. c) Social d) physical.

B) Answer the Following question in one Sentence each.

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- (1) What is Minimum Rents?
- (2) What are the main types of trial Balance?
- (3) State the types of Royalty.
- (4) State the meaning of Narrates.
- (5) What are drawings?

C) Fill in the Blanks and rewrite the sentence.

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- (1) Recording of transaction in the Journal is called-----.
- (2) Royalty - Minimum Rent = -----
- (3) Land Lord is a person who -----the Royalty.
- (4) Buildings, Machinery, Furniture are the Examples of -----Assets.
- (5) Total Installment price minus cash price equal to-----.

D) State the Following statements are True or False.

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- (1) Every transactions has two aspects.

- (2) Minimum Rent is real rent and not a dead rent.
- (3) Live Stock Account is a Nominal Account
- (4) Under Sinking Fund Method, the amount of depreciation is equal year to year and invested in securities outside the business.
- (5) Hire purchase sells are the credit sales.

Q2 Following Trial Balance of Mrs. Shital as on-31.03.2022. Prepare Trading and profit & Loss A/C. For the year ended 31.03.2022 and Balance Sheet as on that date. After making necessary adjustments. **15**

Trial Balance		
Particulars	Debit	Credit
Drawings and Capital	4000	1,00,000
Sundry debtors and creditors	37,000	54,000
purchases and sales	80,000	118,000
Bills Receivable & Payables	10,000	5,000
Opening stock (on-01.04.2021)	40,000	-
Machinery	50,000	-
Furniture	26000	-
Salaries (for 10 Months)	4000	-
Wages	8000	-
Insurance	5000	-
General Expenses	8,000	-
Investments	3000	-
Prepaid Taxes	2000	-
Rent (For 11 Months)	11,000	-
Electricity & Lighting	6,000	-
Travelling Expenses	1500	-
Carriage inwards	3000	-

Return outwards	-	1000
interest and commission	-	4000
unpaid Wages	-	4500
General Reserve	-	7500
Bank overdraft.	-	4500
	2,98,500	2,98,500

Adjustments.-

- (1) Cost of closing stock was Rs. 40,000. While its market value was Rs. 45,000.
- (2) A credit sales of Rs.2000 and credit Purchase of Rs.5000 Here not recorded through the Account. Book.
- (3) Goods of Rs.1500 have been distributed as free samples were not recorded in the books of Account.
- (4) Goods worth Rs. 2000 were withdrawn by the proprietor during the year for personal use.
- (5) interest on capital was to be provided @8% P.a. and interest on drawing was to be charged For Rs.600
- (6) Goods Worth Rs.10,000 were destroyed by Fire and insurance company admitted claim for Rs.8000
- (7) Depreciation on machinery @10% and On Furniture @15% p.a.

- Q3** The Assian Ltd. acquired on Lease basis a Property For Rs. 37910 For 5 years. **15**
 From 1st Jan 2017. The company decided to depreciate the Lease by Annuity Method. Table shows that an investment of Rs. 3.791 @10% p.a. yield Rs. 1 per year For 5 years The company closes the books of 31st December every year.
 Shows. 1-Calculation of Annual Depreciation.
 2- Lease Account for 5 years.
- Q4** Dr. Rahul purchased a car on Installment System From Mahindra Ltd. on of 1st January- **15**
 2019. The cash value of the car was Rs. 1,70,000. An amount of Rs 50,000 is to be paid on Signing the contract and balance in three equal installment of Rs. 50,000 each payable annually on 31st December.
 Mahindra Ltd. charged interest at 12% per annum. Dr. Rahul provided Depreciation at 10% P.a. on Reducing balance system. Show in the books of Dr. Rahul.
 i) car Account ii) Mahindra Ltd. Account iii) interest Suspense Account
 iv) interest A/C v) Depreciation Account
- Q5** Ashok & Company is a Firm Manufacturing Pocket calculators by making use of a **15**
 Patented processes under Licence from orpat & co. The Licence which was granted as from 01-Jan-2017 provided for a royalty to be payable by Ashok & Co. Rs.1 per Calculator Manufactured subject however to a minimum Annual Payment of Rs.4500

For 2017. Increasing by Rs.2500, a year till Rs.19500 p.a. should be reached.

Any amount by which the royalty Falls short of the minimum payment in any year was allowed to be carried forward and set off against royalties in the excess of the minimum during the following two years.

The number of calculators Manufactured in the First Five years were -

- 3000 in 2017
- 5000 in 2018
- 10,000 in 2019
- 12,000 in 2020
- 15,000 in 2021

You are required to set out the

- 1) Royalty Account and ii) short working A/C in the Books of Ashok 4 company,

- Q6** Maharashtra Engineering Ltd. brought a plant Rs. 60,000 on 01 January-2018 having a useful Life of 4 years. It is estimated that the plant having a scrap Value of Rs. 10,000 at the end of the fourth Year. **15**

The Company decided to provided for the replacement of plant by setting up a depreciation Fund. It is expected that the investment will earn intrest at 10%. P.a.

Sinking Fund table shows that Rs.0.21547 invested each year will produce Rs.1 at the end of the Four year at 10% p.a.

On 31st Dec-2021 the investment were sold For Rs.35,000. A new plant was purchased for Rs.75,000. The scrap of the plant realised Rs.12000.

Prepare-

- (1) Depreciation Fund A/C
- (2) Depreciation fund Investment A/C
- (3) Plant Account

- Q7** Write short notes [Any three] **15**

- 1) Rules Of Account
- 2) Down payment
- 3) Journal
- 4) Hire Purchase system.
- 5) Objectives of book-keeping & Accountancy