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SUBJECT CODE NO:- 3037
FACULTY OF COMMERCE & MANAGEMENT
B.Com. F.Y (Sem-I)
EXAMINATION JUNE / JULY 2022
Financial Accounting - I

[Time: 3:45 Hours]

[Max. Marks:80]

N.B Please check whether you have got the right question paper.

- N.B
1. Question No1. Is compulsory.
 2. Attempt any four questions from Q.2 to Q.7
 3. Use of calculator is allowed.

Q.1 A. Select the most appropriate answer: 05

1. Balance sheet is a statement of _____
 a) Assets b) Liabilities c) Capital d) All of the above
2. Opening stock is entered a trading account on the _____ side
 a) Credit b) Debit c) Assets d) All of the above
3. Depreciation is provided on -----
 a) Current assets b) fixed assets c) capital d) investment
4. The advance amount under hire purchase system is called -----
 a) Cash price b) retail price c) interest d) down payment
5. Gross profit is transferred to -----
 a) Profit and loss account b) balance sheet
 c) depreciation account d) none of the above

B. Answer the following questions in one sentence each 05

- 1) What is Net profit?
- 2) What is Depreciation?
- 3) What is goodwill?
- 4) What do you mean by bad debts?
- 5) What do you mean by prepaid expenses?

C. Fill in the blanks and rewrite the sentences.

- 1) Goodwill is ----- assets. 05
- 2) Under -----entry system of accounting the two aspects of each transaction are recorded
- 3) Credit balance of the trading account is -----
- 4) Opening stock is entered in a trading account on the -----side
- 5) List of balances in all accounts in ledger is called.

D. State the following statements are whether true or false. 05

- 1) Goodwill is an intangible assets
- 2) Gross profit is transferred to profit and loss account
- 3) Amount of prepaid expenses appears on the assets side

- 4) Depreciation charge on current assets
- 5) Ram account is a nominal account

Q.2 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 date

Trial Balance

Particular	Debit (Rs.)	Credit (Rs.)
Capital	-	20,000
Sales	-	35,000
Opening stock	5,000	-
Purchase	15,000	-
Creditors	-	7,500
Commission	-	500
Bills payable	-	3000
Loan	-	6000
Land and building	20,000	-
Bills receivable	3,000	-
Wages	3,000	-
Machinery	8000	-
Carriage inward	1000	-
Carriage outward	1000	-
Power	1500	-
Salaries	2000	-
Discount allowed	300	-
Drawings	1000	-
Insurance premium	200	-
Cash at bank	5000	-
Cash in hand	1000	-
Investment	5000	-
	72,000	72,000

Adjustment :

- 1) Closing stock Rs.2000/-
- 2) Provide depreciation @ 10% on machinery and 5% on land and building
- 3) Outstanding salaries amounted to Rs.500/-

Q.3 A lease is purchased for 5 years for Rs.25,000 by Sohan on 01st Jan 2014 he decides to write off lease by annuity method presuming the rate of interest at 5% P.A 15

The annuity table shows that annual Rs. Necessary to write of Rs.1 in five years at 5% P.a is Rs. 0.230975

Show the lease account for the full period

Q.4 Dr. Nande purchased a car on installment system from Maruti Ltd. On 1st January 2016 The cash value of the car was Rs. 17,000 an amount of Rs.5000 is to be paid on signing the contract and the balance in three equal installments of Rs.5000 each payable annually on 31st December 15

Maruti Ltd. Charged interest at 12% per annum Dr. Nande provided depreciation at 10% per annum on reducing balance system
Show in the books of Dr. Nande

- 1) Car account
- 2) Maruti Ltd Account
- 3) Interest suspense account

Q.5 A colliery company took from Radha Mohan a lease of a coal field for a period of 50 years from 1st 15 Jan 2013 on a royalty of 50 paise per ton of coal got with a dead rent of Rs.8000 and power to recoup short working during the first five years of the lease the annual output was as follows.

Year	(Rs.)output (Tons)
2013	6,000
2014	8,000
2015	16,000
2016	20,000
2017	18,000
2018	15,000

Write up:-

- 1) Royalty account
 - 2) Short working account
 - 3) Landlord account
- In the books of colliery company

Q.6 What is meaning and features of hire purchase system? Explain the asset accrual method and total assets value method 15

Q.7 Write short notes (any three) 15

- i) Capital
- ii) Capital expenditure
- iii) Balance sheet
- iv) Annuity method
- v) Installment system