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SUBJECT CODE NO:- CC-3380
FACULTY OF COMMERCE AND MANAGEMENT
B.Com F.Y (Sem.-I) (CBCGS) Examination Oct/Nov 2019
Financial Accounting - I

[Time: Three Hours]

[Max.Marks:80]

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

- (i) Question No.1 is compulsory.
- (ii) Attempt any four questions from Q.No.2 to Q.No.7.
- (iii) Use of Calculator is allowed.

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

- 1) Book Keeping is a..... Science.
 - a) Pure
 - b) Natural
 - c) Social
 - d) Physical
- 2) Excess of Expenses over income is called.....
 - a) Profit
 - b) Loss
 - c) Liability
 - d) None of these
- 3) The Profit on sale of an asset is debited to..... Account.
 - a) Profit and Loss
 - b) Reserve
 - c) Asset
 - d) None of these
- 4) Each installment include interest on.....balance.
 - a) Outstanding (Unpaid)
 - b) Hire Purchase
 - c) Down Payment
 - d) None of these
- 5) Unrecouped short workings is transferred toAccount.
 - (a) Trading Account
 - (b) Profit and Loss Account
 - (c) Reserve Account
 - (d) None of these

B) Answer the following questions in one sentence each. 05

- 1) State the meaning of narration.
- 2) What are the main types of Trial – balance.
- 3) What is Balance Sheet?
- 4) State the types of Royalty.
- 5) What do you mean of Combine entry?

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

- 1) Cash Purchases of goods should be credited to
- 2) Depreciation is a charge against.....
- 3) Landlord is a person whothe royalty.
- 4) In case of Hire Purchase System, If Cash Price are missing.....method is used for calculation of interest and Recovery of Cash Price in each installment.
- 5) Buildings, Machinery are the examples ofassets.

D) State whether the following statements are True or False.

05

- 1) Live Stock A/c is a nominal Account.
- 2) Goods withdrawn by the proprietor from business is debited to the drawings account.
- 3) Income Tax is a personal expenses of the Proprietor.
- 4) Under sinking fund Method the amount of depreciation is equal year to year and invested in securities outside the business.
- 5) Short workings = minimum (Dead) Rent – Royalty.

Q.2 Following Trial Balance of Mrs. Sneha as on 31-03-2018. Prepare Trading and Profit and Loss Account for 15 the year ended 31st March, 2018 and Balance sheet as on that date after making necessary adjustments:

Particular	Dr. (Rs.)	Cr. (Rs.)
Drawings and Capital	4,000	1,00,000
Sundry Debtors and Creditors	37,000	54,000
Purchase and Sales	80,000	1,18,000
Bills Receivables and Bills Payables	10,000	5,000
Opening Stock (1-4-2017)	40,000	-
Machinery	50,000	-
Furniture	26,000	-
Salaries (for 10 months)	4,000	-
Wages	8,000	-
Insurance	5,000	-
General Expenses	8,000	-
Investments	3,000	-
Prepaid Taxes	2,000	-
Rent (For 11 months)	11,000	-
Electricity and Lighting	6,000	-
Travelling Expenses	1,500	-
Carriage Inwards	3,000	-
Return Outwards	-	1,000
Interest and Commission	-	4,000
Unpaid Wages	-	4,500
General Reserve	-	7,500
Bank overdraft	-	4,500
Total	2,98,500	2,98,500

Adjustments:

- (i) The cost of closing stock was R.40,000 while its market price was Rs.45,000.
- (ii) A credit sales of Rs.2,000 and Credit Purchases of Rs.5,000 were not recorded through the accounts book.
- (iii) Goods of Rs.1,500 have been distributed as free samples were not recorded in the books of accounts.
- (iv) Goods worth Rs.2,000 were withdrawn by the Proprietor during the year for Personal use.
- (v) Interest on capital was to be provided @8% p.a. and interest on drawings was to be charged for Rs.600.
- (vi) Goods worth Rs.10,000 were destroyed by fire and insurance company admitted claim for Rs.8,000.
- (vii) Depreciate:- Machinery @10%; Furniture by 15% p.a.

- Q.3 Bajaj Co. Ltd purchased a machinery for a period of 5 years for Rs.20,000 on 1st January 2012. The Company decided to write off the machinery by annuity method. Presuming the rate of interest at 5% per annum. 15
The annuity table shows that the annual Rs. Necessary to write off Rs.1 at 5% per annum is Rs.0.230976. Prepare Machinery Account in the books of Bajaj Co. Ltd for five years.
- Q.4 Dr. Ram purchased a Car on Installment System from Maruti Ltd. on 1st, January, 2015. The cash value of the was Rs.1,70,000. An amount of Rs.50,000 is to be paid on signing the contract and the balance in three equal installments of Rs.50,000 each payable annually on 31st December. 15
Maruti Ltd. charged interest at 12% per annum. Dr. Ram provided depreciation at 10% per annum on reducing balance system.
Show in the books of Dr. Ram (1) Car Account
(2) Maruti Ltd Account
(3) Interest Suspense Account
(4) Interest Account
(5) Depreciation Account
- Q.5 A Company Leased a mine on 1st Jan 2011 at a "Dead Rent" of Rs.9000 merging in to a royalty of Rs. 1 per 15 Ton with power to recoup short working over the first three years of the Lease. The output for the three years was 6000, 9000 and 10500 tons respectively. 15
Give the necessary Journal entries and Royalty Account in the Books of the Company.
- Q.6 Marathwada Engineering Ltd bought a plant Rs.60,000/- on 1st January 2014 having a useful life of 4 years. 15
It is estimated that the plant have a scrap value of Rs.10,000 at the end of the fourth year. The company decided to provide for the replacement of plant by setting up a depreciation fund. It is expected that the investment will earn interest 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 2017 the investment were sold for Rs.35,000. A new plant was purchased for Rs.75,000. The scrap of the plant realized Rs.12000.
Prepare : (1) Depreciation fund A/c
(2) Depreciation fund Investment A/c
(3) Plant A/c
- Q.7 Write Short Notes (any three) 15
1. Objectives of Book-keeping and Accountancy.
2. Balancing of Accounts
3. Rules of Accounts
4. Down Payment
5. Distinction between Hire-Purchase System and Installment System.