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SUBJECT CODE NO: - X-3035
FACULTY OF COMMERCE AND MANAGEMENT
BCOM(CBCGS)(Pattern-2018-22) F.Y SEM I
Examination April / May - 2024
Financial Accounting - I

[Time: 3Hours]

[Max. Marks:80]

Please check whether you have got the right question paper.

N. B

- 1) Q. No.1 is compulsory
- 2) Solve any four question from Q.No. 2 to Q.NO. 7.

Q.1 [A] - Fill in the Blanks:

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- 1) The amount of depreciation charge on Machinery will be debited to _____ account.
- 2) Under hire purchase system _____ has Right to sell.
- 3) Shortworking account shows _____ balance in the books of Lessee.
- 4) In Installment purchase system _____ of goods is transferred immediately.
- 5) Goodwill is an _____ asset.

[B] Write true or False of following sentences.

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- 1) There is no difference between hire purchase and installment purchase system
- 2) Royalty is calculated either on the basis of production or sales.
- 3) The accounting Principles are formulated by the government.
- 4) Accounting standard-6 deals with depreciation Accounting.
- 5) Each Installment includes payment towards Cash price and Intrest.

[C] Select most appropriate answer from given alternative answers.

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- 1) The assets that can be converted into Cash within a short period of time
(i.e. 1 year or Less) are known as.

- | | |
|---------------------|----------------|
| a) current asset | b) Fixed Asset |
| c) Intangible Asset | d) Investment |

2) Decrease in the Value of Fixed assets is.

- a) Depletion
- b) Amortization.
- c) Depreciation
- d) None of the above

3) The amount paid at the time to hire Purchase agreement is known as -

- a) Installment
- b) Down payment
- c) cash price
- d) Hire Purchase price.

4) Under Installment payment system Ownership of goods-

- a) Is trasfered at the time of agreement
- b) Is transfered at the time of Last Installment
- c) Is not transferred
- d) None of the above.

5) When royalty is paid, it is debited in the books of Lessee to-

- a) Royalty A/C
- b) P&L A/C
- C) LandLord A/C
- d) None of the above.

[D] 1- What is Journal?

2. What is scrap value?

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3. What do you mean by balance sheets?

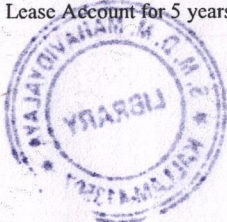
4. Define hire vender.

5. What is short working?

Q.2 The India Ltd. acquired on Lease basis a Property For Rs. 37910 for five years from 1st Jan - 2015. The company decided to depreciate the Lease by Annuity method charging Intrest at 10%. P.a. The annuity table shows that an investment of Rs.3.791 at 10% For Five year yields Rs. 1 per year For 5 years. The company closes the books as on 31st December every year. 15

Show-i) Calculation of Annual Depreciation

ii) Lease Account for 5 years.



- Q.3** Rudra mining company took a Coal-Field on Lease From Ram Brothers from 1st Jan- 2018. Royalty was set at Rs. 2 per Ton of coal taken out. Minimum rent was Rs. 20,000 per year. Short working were to be recovered Within the first four years of the contract. The Coal taken out during the first Four Years was as Follows: 15

Year	Tons
2019	4000
2020	7000
2021	11000
2022	17000

Pass Journal entries in the books of Rudra Mining company.

- Q.4** Roy Brothers purchased Machinery from Sapna M. Ltp. on Installment system, on 1st Jan, 2018. The cash price of Machinery was Rs. 70,000. Rs. 10,000 were paid on signing the agreement and the balance in annual installment of Rs. 20,000 plus interest at 12% p.a. Roy Brothers charged depreciation at 20% P.a. on written down value show in buyers Books- 15

(i) Necessary Ledger accounts till final settlement

(ii) Balance sheet as on 31.12.2019

- Q.5** Following is the trial balance of Mr Bhatia at 31st March-2021. Prepare Final Account. 15

Particular	Debit Rs.	Credit Rs.
Capital Account		4000
Plant & Machinery.	5000	
Office Furniture & Fitting	260	
Stock - 1.4.2020	4800	
Motor cycle	1200	
Sundry debtors	4570	
Cash in hand	40	
Cash at Bank	650	
Factory Wages	15000	
Purchases	21350	
Sales		48000
Bills Receivable	720	
Bills Payable		560
Sundry Creditors		5200

Return Inward	930	
Provision for Doubtful Debts		250
Drawing	700	
Return outwards		550
Rent	600	
Factory Lighting & heating	80	
Telephone	35	
Insurance	30	
Advertising	565	
Office Wages	1400	
General Expenses	100	
Bad debts	250	
Discount allowed	650	
Discount Received		370
Total-	58930	58930

The Following adjustments are to be made.

1. stock on 31st March 2021 was Rs. 5200
2. Rent Rs. 200 and Factory Lighting & heating Rs. 30 due but not paid up to 31st March-2021
3. Insurance paid in advance Rs. 10
4. Write off depreciation on plant and Machinery at 10%, Furniture at 5%. Motor cycle at 25%.
5. Write off Further bad debts Rs.70 and the Provision for doubtful debts to be increased to Rs.300
6. Discount of 2.5% on debtors and creditors are to be anticipated.

Q.6 What is Hire purchase system? How hire purchase transaction are maintained? 15

Q.7 Write a short notes (any three) 15

1. Accounting cycle
2. Meaning of Depreciation
3. Hire Purchase agreement
4. Concept of Installment system.
5. Minimum Rent.

