

sub - Intro to Financial Acc

sem-I

Q.P. Code :00123

[Time: $2\frac{1}{2}$ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All Questions are compulsory carrying 15 marks each.
 2. Working notes should form part of your answers wherever applicable.

Q.1) A) State whether the following statements are True or False. (any eight)

(08)

1. Recording business transaction in the journal is known as casting.
2. The cash book is used for recording the credit transaction of the business
3. Prepaid expenses is a liability.
4. The Balance Sheet is the most important account in the ledger.
5. Nominal A/c is an account of expenses and income, losses and gains.
6. Ledger is book where individual accounts are recorded.
7. Personal A/c is credited when the person gives something to business.
8. The expenditure incurred on installation of machinery is capital expenditure.
9. Under fixed installation method, depreciation amount remains constant.
10. Wrong balancing of an account will affect the Trial Balance.

B) Match the following :

(07)

Group A		Group B	
1.	AS-9	1.	A Fixed assets which has limited useful life
2.	Contra Entry	2.	Net Profit
3.	Drawing A/c	3.	Net Loss
4.	Depreciable asset	4.	Calculated as % on original cost
5.	Debit balance of Profit and Loss A/c	5.	Deals with recognition of revenue
6.	Interest A/c	6.	Real A/c
7.	SLM	7.	One error removes the effect of another error
		8.	Nominal A/c
		9.	Appears on both the sides of cash book
		10.	Personal a/c of the proprietor

Q.P. Code :00123

Q.2) A) Journalise the following transactions in the books of Ms. Rekha:

Date	Particulars	Rs.
March 2016		
2	Ms. Rekha started his business with cash	
3	Deposited in to bank	60,000
5	Bought goods on credit from Mr. Yartin	40,000
6	Returned goods to Mr. Yatin	5,000
10	Sold goods for cash to Ms. A	1,000
17	Drew from bank for personal use	5,000
25	Paid to Mr. Yatin in full settlement by cheque	4,000
30	Paid salaries to staff	3,800
30	Withdrew goods for personal use	4,000
		500

B) Prepare Personal Account of Soham from the following transactions.

Date	Particular	Rs.
2016		
Jan.1	Debit balance on Soham's a/c	
Jan.2	Sold goods on credit to Soham	1,000
Jan.6	Received from Soham	5,400
Jan.6	Allowed him discount	6,300
Jan.10	Soham bought goods on credit	100
Jan.15	Received cash from Soham	1,500
Jan.15	Allowed him discount	1,450
Jan.20	Purchased goods on credit from soham	50
Jan.25	Paid cash to Soham	1,040
Jan.28	Returned goods to Soham	500
Jan.31	Paid cash to Soham in full settlement of her account	140
		390

OR

2

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Q.P. Code :00123

Q.2) Enter the following transactions in a three column cash book:

(15)

January 2016		Rs.
1.	Capital introduced (in cash)	30,0000
4.	Paid into bank	80,000
5.	Purchased goods by cheque	10,000
6.	Received a cheque from Rama	20,000
	Allowed discount	1,000
10.	Cash sales	70,000
12.	Paid into bank	30,000
15.	Gopal paid by cheque	30,000
	Discount received	500
20.	Paid salaries by cheque	10,000
25.	Withdrew for office use	20,000
31.	Draw a cheque for personal use	5,000

Q.3) A) Prepare a Bank Reconciliation Statement of Kelvinator as on 30th April, 2016 from the following particulars.

(08)

	Particulars	Rs.
1.	Balance as per pass book 30 th April	8,500
2.	Paid in but not cleared in April	875
3.	Debit in pass book on 30 th April for dishonored cheques not recorded in cash book	100
4.	Cheque issued but not cashed in April	1,895
5.	Cheques issued on 25 th April and cashed on 27 th April was entered in the cash column of the cash book	150
6.	Bank interest credited in pass book but not debited in cash book	15
7.	Bank charges debited in pass book on 30 th April credited in cash book on 1 st May	5
8.	Balance as per Cash book on 30 th April	7,720

B) Rohini Cement Ltd. Purchased on 1st January 2013 a plant for Rs.80, 000/-. On 1st April 2014 it purchased additional plant costing Rs.48, 000/-. On 1st September 2015 the plant purchased on 1st January 2013 was sold off for Rs.42, 000/- and same date fresh plant was purchased at the cost Rs.75, 000/-. Depreciation is to be provided at 10% p.a. on the Diminishing Balance Method every year on 31st March. Show the Plant Account for 3 year. (07)

OR

3

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- Q.3) State which of the following are capital, revenue and deferred revenue. Explain with reasons: (15)
1. Legal expenses incurred in connection with issue of capital.
 2. Sold 4% Government securities (Investment) for Rs.1, 40,000.
 3. Cost of replacement of a defective part of the machinery.
 4. Expenditure incurred in preparing a project report.
 5. Expenditure for training employees for better running of machinery.
 6. Expenditure incurred for repairing cinema screen.
 7. Paid 10,000 underwriting commission on issue of shares.
- Q.4) A) The trial balance of a Trader had a difference, which was transferred to Suspense Account. Later on the following errors were discovered: (08)
1. Goods worth Rs.400/- were purchased from Z Ltd. But the same was entered in the Sales Book. However, the account of Z Ltd. Was correctly credited.
 2. The total of credit side of Meena's A/c was overcast by Rs.400/-
 3. Purchase Book was under cast by Rs.400/-
 4. The total of Returns Inward Book amounting to Rs.800/- was not posted to ledger.
 5. Goods amounting to Rs.2480/- sold to S & Co. were correctly entered in the Cash Book but wrongly credited to Z & co's A/c.
 6. A credit balance of Rs.2940/- of Rent Receivable account was shown as Rs.2280/-
- Required: i) Rectification entries ii) Suspense Account
- B) Mr. Prakash has prepared the following Trail balance on 31st March 2016. Kindly verify it and prepare a revised Trial Balance. (07)

Particulars	Dr. Rs.	Cr. Rs.
Prakash-capital		1,556
Prakash-Drawings	564	
Leasehold Premises	741	
Sales		2,756
Due from Customers		530
Purchases	1,268	
Loan from Bank		250
Purchases returns	264	
Creditors	528	
Trade & office expenses	784	
Cash at Bank	142	
Bills payable	100	
Salaries & wages	598	
Stock (1 st April)		264
Rents, Rates etc.	465	
Sales Returns		98
Total	5,454	5,454

Q.P. Code :00123

OR

- Q.4) The following Trial Balance was extracted from the books of M/s ABC on 31st March 2016. You're required to prepared Trading and Profit and Loss Account for the year ending on 31st March 2016 and a Balance as on the date : (15)

Particular	Dr. (Rs.)	Cr. (Rs.)
Capital		30,000
Drawings	5,000	
Debtors and Creditors	20,000	10,000
Loan from Bank		9,500
Interest on Loan	300	
Cash in hand	2,000	
Provision for bad debts		700
Stock (1.4.2015)	6,800	
Motor Vehicle	10,000	
Cash at Bank	3,500	
Land and Building	12,000	
Purchases and Sales	66,000	1,10,000
Returns	8,000	1,500
Carriage Outwards	2,500	
Carriage Inwards	3,000	
Salaries	9,000	
Rent and Insurance	3,000	
General Expenses	6,900	
Bad debts	500	
Discount		500
Bills Receivable and Payable	6,000	2,000
Rents Received		300
	1,64,500	1,64,500

Adjustment :

- Stock on 31.03.2016 Rs.7000.
- Depreciation on Land and Building @2.5% and on Motor Vehicle @20% per annum.
- Salaries outstanding Rs.200.
- Prepaid insurance Rs.200.
- Provision for bad debts is to be maintained at 5% on debtors.

Q.P. Code :00123

Q.5) A) What is IFRS? Give any two needs of IFRS.

(08)

B) What do you mean by computerized accounting system? Explain the advantages.

(07)

OR

Q.5) Write Short notes on any three:-

1. Straight Line Method of Depreciation

2. IAS-2

(15)

3. As-10 (Fixed Asset)

4. Need for Book-keeping

5. Scope of Accounting

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6