

FYBBI

Subject : Financial Accounting – I

SEM-I

AY: 2019-20

13.2.20

[Time: 2 ½ Hours]



[Marks: 75]

- Note:** 1) All questions are compulsory.
 2) Figures at right shows full marks for questions
 3) Use of simple calculator is permitted.
 4) Working notes should form part of answers.

Q.1(A) Multiple Choice questions (Any Eight) (08)

- 1) _____ concept is a basic idea that business is separate from the owner.
 a) Dual aspect b) Materiality c) Going concern d) Entity
- 2) Small expenses of daily routine business are recorded in _____ book.
 a) debit note b) pass c) purchase d) petty cash
- 3) Amount invested in business is called as _____.
 a) Capital b) Borrowings c) Debtor d) Creditor
- 4) In hire purchase, ownership of asset is transferred on the payment of the _____ instalment.
 a) first b) second c) last d) none of the above
- 5) _____ expenditure is recurring in nature.
 a) Capital b) Revenue c) Deferred d) None
- 6) All the items of income are shown on the credit side of _____ account.
 a) Balance sheet b) Profit & Loss A/c c) Manufacturing A/c d) none of them
- 7) Excess of revenue over expenses is _____.
 a) loss b) profit c) deficit d) none of the above
- 8) Bad debts are recorded in _____ books.
 a) Sales book b) Journal Proper c) Purchases book d) None of them
- 9) Rent paid to Landlord is debited to _____ Account.
 a) Landlord b) Rent c) Cash d) Bank
- 10) Drawings Account is a _____ Account.
 a) Nominal b) Personal c) Real d) Impersonal

Q.1 (B) Match the following and re-write. (Any Seven) (07)

Column A	Column B
1) Sales returns	a) Personal Account
2) Opening Stock	b) Monetary value of reputation
3) Going concern concept	c) Debit total of an account exceeding credit total
4) Goodwill	d) Account opened for increasing savings

5) Debtors Account	e) Wrong posting made in ledger
6) Debit Balance	f) One error removes the effect of another error
7) Savings Account	g) Continuity of business
8) Errors of commission	h) Debit side of Trading Account
9) Compensating errors	i) HP Price – Cash Price
10) Interest	j) Return inward

Q.2(A) Pass Journal entries for the following transactions in the books of Ashok . (15)

2018	Rs.
1) July 1 Shaan commenced business with cash	60,000
2) July 5 Took loan from Narmada	8,000
3) July 7 Paid rent to landlord in advance	2,000
4) July 13 Purchased Motor Car for cash	30,000
5) July 14 Purchased building from Tridi on credit	40,000
6) July 16 Gave charity	18,500
7) July 18 Received rent from sub-tenant	500
8) July 19 Sold goods for cash	13,000
9) July 21 Received on account from Anwar	3,500
10) July 31 Paid for postage stamp	1,750

OR

Q.2(B) Mr Jyotirmay furnishes the following information in order to prepare his Bank Reconciliation Statement as on March 31, 2019. (08)

- Overdraft balance as per Cash Book on March 31, 2019 is Rs.30,000
- Payment of cheque of Rs. 10,000 is recorded twice in the Cash Book.
- Bank collected a dividend of Rs.1,000 through ECS.
- A cheque of Rs. 5,000 returned dishonoured as per bank statement, but not reflected in the cash book.
- A cheque of Rs. 5,100 deposited in the bank and duly credited by it but shown in the cash book as Rs. 1,500 only.
- Interest on overdraft of Rs. 1,500 charged by bank, but recorded in the cash book as interest received from bank.
- A cheque of Rs. 1,000 issued and cleared but wrongly shown in the cash book cash column.

Q.2(C) State with reasons, whether the following expenditure or receipt are Capital, Revenue or Deferred Revenue expenses or receipts. (07)

- Expenditure incurred on overhauling machinery.
- Wages for erection of Machinery.
- Cost of goodwill.
- Heavy advertising expenditure incurred.
- Cost of construction of a building.
- Purchase of machinery.
- Amount received on issue of debentures



Q.3(A) ABC Ltd. had purchased a Machinery on hire-purchase system from XYZ Ltd. on 1st April, 2018. The cash price of the Machinery was Rs. 2,50,000. He agreed to pay Rs. 50,000 on delivery of the Machinery to him and the balance in 4 annual instalments of Rs. 50,000 plus interest @ 5% per annum. Depreciation was to be written off the asset @ 10% p.a. on WDV basis.

You are required to prepare the following accounts in the books of ABC Ltd. (15)

- A Statement showing Calculation of interest
- Machinery Account and
- XYZ Ltd. Account

OR

Q.3(B) The following Transactions took place in respect of a material item for the month of march, 2019. (15)

Date	Transaction	Units	Rate (Rs)
March 02	Receipts	200	2.00
March 10	Receipts	300	2.40
March 15	Issues	250	-
March 18	Receipts	250	2.60
March 20	Issues	200	-

Prepare stores ledger pricing the issues at

(A) FIFO Method

(B) Weighted Average Method

Q.4(A) From the following particulars, Prepare Manufacturing A/C and Trading Account for the year ended 31-03-2019. (15)

Particulars	Amount (Rs)
Purchase of Raw Materials	6,000
<u>Opening Stock (01-04-2018)</u>	
Raw Materials	6,000
W.I.P.	2,000
Finished Goods	10,000
Carriage Inward (Raw Material)	300
Purchases Returns on Raw Material	500
Repairs to Plant & Machinery	300
Factory Rent and Taxes	500
Depreciation on Factory Building	150
Electric Power consumed	1,000
Sales	22,000

Manufacturing Wages	2,000
Sales Return	600
Depreciation on Plant & Machinery	400
Factory Insurance	250
<u>Closing Stock: (31-03-2019)</u>	
Raw Materials	3,000
W.I.P.	2,500
Finished Goods	10,000

OR

Q.4(B) From the given Trial Balance of Mr. Sanjeev, prepare Trading and Profit & Loss Account for the year ended 31st March, 2019. (15)

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	6,000	Interest Paid	250
Wages	3,000	Travelling Expenses	150
Salaries	1,000	Commission Paid	250
Carriage Inward	500	Office Rent	390
Purchases	7,000	Discount received	300
Sales	25,000	Carriage Outward	600
Sales Returns	360	Discount allowed	200
Interest Received	340	Advertisement	550
Closing Stock	5,600	Trading Expenses	190

Q.5(A) Differentiate between Capital Expenditure and Revenue Expenditure. (08)

Q.5(B) What do you mean by Hire-Purchase transaction? Mention the features of Hire-Purchase transaction. (07)

OR

Q.5(C) Write short notes (Any three) (15)

1. WAM Method
2. Accounting Concepts
3. Accounting Conventions
4. Types of accounting errors
5. IFRS
