RA-3505
First Year B. B. A. (Sem. I) (CBCS) Examination
March / April - 2017
Financial Accounting - I
(New Course)

Time : 2 Hours] [Total Marks : 50

Instructions :
(1) Fill up strictly the details of signs on your answer book.
Name of the Examination :
F. Y. B. B. A. (SEM. 1) (CBCS)
Name of the Subject :
FINANCIAL ACCOUNTING - 1 (NEW)

(2) All questions are compulsory.
(3) Use of calculator is permitted.
(4) Maximum time available is 2 hours.

1 The Treasurer of the Calcutta Club is attempting to reconcile the balance shown in the Cash Book with that appearing on the Bank Statement. According to the Cash Book, the balance at the bank as at 31st May, 2016 was Rs. 1,900 while the Bank Statement disclosed on overdraft amount of Rs. 470. Upon investigation, the treasurer discovers the following errors :
(a) A cheque paid to S Ltd. for Rs. 340 had been entered in the cash book as Rs. 430.
(b) Cash paid to the bank for Rs. 100 had been entered in the cash book as Rs. 90.
(c) A transfer of Rs. 1500 to the Savings Bank had not been entered in the cash book.
(d) A receipt of Rs. 10 shown on the bank statement has not been entered in the cash book.
(e) Cheques drawn amounting to Rs. 40 had not been presented into the bank.
(f) The Cash Book balance had been incorrectly brought down at 1st June, 2016 as a debit balance of Rs. 1,200 instead of a debit balance of Rs. 1,100.

[Contd...
(g) Bank charges of Rs. 20 did not appear in the Cash Book.
(h) Receipts of Rs. 900 paid into the bank on 31st May, 2016 did not appear on the bank statement until 1.6.2016.
(i) A standing order payment of Rs. 30 had not been entered in the Cash Book.
(j) A cheque for Rs. 50 previously received and paid into the bank had been returned by the bank marked ‘account closed’.
(k) The bank received a direct deposit of Rs. 100 from an anonymous member.
(l) Cheques paid into the bank had been incorrectly totalled. The amount should have been Rs. 170 instead of Rs. 150.

Draw up a Bank Reconciliation statement as at 31st May, 2016.

OR

1 Reasons for difference in the bank balance of the Cashbook and Passbook.

2 A transport company purchases 5 trucks at Rs. 2,00,000 each on April 1, 2013. The company writes off depreciation @ 20% per annum on original cost and observes calendar year as its accounting year.

On October 1, 2015 one of the trucks is involved in an accident and is completely destroyed. Insurance company pays 90,000 in full settlement of the claim, on the same day the company purchases a used truck for Rs. 1,00,000 and spend Rs. 20,000 on its overhauling. Prepare truck account for the three years ending on 31st December 2015.

OR

2 The following are the details of a spare part of Sriram Mills

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.2016</td>
<td>Opening stock Nil</td>
<td>1.1.2016</td>
<td>Purchases 100 units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>@ Rs. 30 per unit</td>
</tr>
<tr>
<td>15.1.2016</td>
<td>Issued for consumption</td>
<td>1.2.2016</td>
<td>Purchases 200 units</td>
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<tr>
<td>100 units</td>
<td></td>
<td></td>
<td>@ Rs. 40 per unit</td>
</tr>
<tr>
<td>15.2.2016</td>
<td>Issued for consumption</td>
<td>20.2.2016</td>
<td>Issued for consumption</td>
</tr>
<tr>
<td>100 units</td>
<td></td>
<td></td>
<td>100 units</td>
</tr>
<tr>
<td>1.3.2016</td>
<td>Purchases 150 units</td>
<td>15.3.2016</td>
<td>Issued for consumption</td>
</tr>
<tr>
<td>@ Rs. 50 per unit</td>
<td></td>
<td></td>
<td>100 units</td>
</tr>
</tbody>
</table>
Find out the value of stock as on 31.3.2016 if the company follows:
(1) First-in-first out basis
(2) Last-in-first out basis

3 Journalize the following transactions for the month of January, 2016:

Jan. 2 : Started business with Rs. 10,000; paid into Bank Rs. 5,000.
Jan. 3 : Bought furniture for Rs. 500
Jan. 5 : Bought goods for Rs. 3,000
Jan. 6 : Sold goods for Rs. 600
Jan. 10 : Bought one typewriter for Rs. 800 from the Remington Rand Inc. on credit
Jan. 13 : Sold goods to M/s. Anand and Sons for Rs. 1000 on credit.
Jan. 15 : Bought goods from M/s Mohindra & Co. for Rs. 800 for cash
Jan. 18 : Paid telephone rent Rs. 240 for one year.
Jan. 22 : Paid Rs. 100 for advertisement.
Jan. 26 : Sold goods to M/s. S. Lall & Co. for Rs. 800 for cash
Jan. 31 : Paid salaries Rs. 200
Jan. 31 : Paid rent Rs. 100
Jan. 31 : Withdrew from bank Rs. 300 for private use.
Jan. 31 : Bought one delivery van for Rs. 10,000 from the Delhi Motor Co., payment to be made by monthly instalments of Rs. 500 each together with interest at 9%. First instalment paid by cheque.

OR

3 Write out the following transactions in the Triple column cash book of Sitaram.

2016
Jan. 1 : Sitaram commences his business with cash = Rs. 30,000
Jan. 2 : He pays into bank current account = Rs. 20,000
Jan. 3 : He receives cheque from Kulwant Rai on account = Rs. 1,000
Jan. 7 : He pays Kulwant Rai’s cheque into bank = Rs. 1,000

[Contd...]
Jan. 10 : He pays Radha Sharan by cheque = Rs. 1,980 and receives discount = Rs. 20.

Jan. 11 : He receives cheque from Wasim = Rs. 970 and allows him discount = Rs. 30.

Jan. 15 : He makes sales for cash = Rs. 2,000

Jan. 17 : Cash deposited into bank = Rs. 3,000

Jan. 19 : He purchased a motor car by cheque = Rs. 6,500

Jan. 20 : He purchased goods by cheque = Rs. 1,500

Jan. 22 : He pays Jajoo Traders in cash = Rs. 2,000 and receives discount = Rs. 100

Jan. 29 : He withdraws from bank for office use = Rs. 500

Jan. 30 : He purchases furniture by cheque = Rs. 1,200

Jan. 30 : Cheque received from Sham endorsed to Ram = Rs. 5,000

4 Write short notes on : (any two) 14

(1) Business entity concept

(2) Functions of Financial Accounting

(3) Sinking fund method.