

1805000501020001
EXAMINATION FEBRUARY-MARCH 2024
BACHELOR OF COMMERCE (LLB)(HONORS)
(FIRST SEMESTER)
FINANCIAL ACCOUNTANCY – I - LEVEL 2

[Time: As per schedule]

[Max. Marks:70]

Instructions:

1. Fill up strictly the following details on your answer book
 - a. Name of the Examination : **BACHELOR OF COMMERCE (LLB)(HONORS) (FIRST SEMESTER)**
 - b. Name of the Subject : **FINANCIAL ACCOUNTANCY-I**
 - c. Subject Code No : **1805000501020001**
2. Sketch neat and labelled diagram wherever necessary.
3. Figures to the right indicate full marks of the question.
4. All questions are compulsory.

Seat No:

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| | | | | | |
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Student's Signature

- Q.1** The following information have been taken from the trial balance of M/s Fair Brothers Ltd. You are required to prepare the trading and profit and loss account and a balance sheet as at March 31, 2017. **14**

| Debit Balances | Amount Rs. | Credit balances | Amount Rs. |
|--|---------------|---------------------|---------------|
| Cash | 20,000 | Sales | 3,61,000 |
| Wages | 45,050 | Loan 12% (1.7.2016) | 40,000 |
| Return outwards | 4,800 | Discount received | 1,060 |
| Bad debts | 4,620 | Return(Purchase) | 390 |
| Salaries | 16,000 | Creditors | 60,610 |
| Octroi | 1,000 | Capital | 75,000 |
| Charity | 250 | | |
| Machinery | 32,000 | | |
| Debtors | 60,000 | | |
| (Including a dishonoured bill of Rs.1,600) | | | |
| Stock | 81,600 | | |
| Purchases | 2,60,590 | | |

| | | | |
|------------------|-----------------|--|-----------------|
| Repairs | 3,350 | | |
| Interest on loan | 1,200 | | |
| Sales tax | 1,600 | | |
| Insurance | 2,000 | | |
| Rent | 4,000 | | |
| | 5,38,060 | | 5,38,060 |

Adjustments

- (1) Wages include Rs. 4,000 for erection of new machinery on April 01, 2016.
- (2) Provide 5% depreciation on furniture.
- (3) Salaries unpaid Rs. 1,600.
- (4) Closing stock Rs. 81,850.
- (5) Create a provision at 5% on debtors.
- (6) Half the amount of bill is recoverable.
- (7) Rent is paid up to July 30, 2017.
- (8) Insurance unexpired Rs. 600.

Or

From the following balance extracted from the books of of M/s Hariharan Brother, you are require to prepare the trading and profit and loss account and a balance sheet as on December 31, 2017.

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| Debit balance | Amount Rs. | Credit balance | Amount Rs. |
|-------------------------|---------------|------------------------|---------------|
| Opening stock | 16,000 | Capital | 1,00,000 |
| Purchases | 40,000 | Sales | 1,60,000 |
| Return inwards | 3,000 | Return outwards | 800 |
| Carriage inwards | 2,400 | Apprenticeship premium | 3,000 |
| Carriage outwards | 5,000 | Bills payable | 5,000 |
| Wages | 6,600 | Creditors | 31,600 |
| Salaries | 11,000 | | |
| Rent | 2,200 | | |
| Freight and Dock | 4,800 | | |
| Fire Insurance premium | 1,800 | | |
| Bad debts | 4,200 | | |
| Discount | 1,000 | | |
| Printing and Stationery | 500 | | |
| Rates and Taxes | 700 | | |
| Travelling expenses | 300 | | |
| Trade expenses | 400 | | |
| Business premises | 1,10,000 | | |

| | | | |
|-------------------------|-----------------|--|-----------------|
| Furniture | 5,000 | | |
| Bills receivable | 7,000 | | |
| Debtors | 40,000 | | |
| Machine | 9,000 | | |
| Loan | 10,000 | | |
| Investment | 6,000 | | |
| Cash in hand | 500 | | |
| Cash at bank | 7,000 | | |
| Proprietor's withdrawal | 6,000 | | |
| | 3,00,400 | | 3,00,400 |

Adjustments

- (1) Closing stock Rs. 14,000.
- (2) Wages outstanding Rs. 600, Salaries Outstanding Rs. 1,000, and Rent Outstanding Rs. 200.
- (3) Fire Insurance premium includes Rs. 1,200 paid in July 01, 2016 to run for One year from July 01, 2016 to June 30, 2017.
- (4) Apprenticeship Premium is for three years paid in advance on January 01, 2016.
- (5) Stationery bill for Rs. 60 remain unpaid.
- (6) Depreciation on Premises @ 5%, furniture @ 10%, Machinery @ 10%.
- (7) Interest on loan given accrued for one year @7%.
- (8) Interest on investment @ 5% for half year to December 31, 2016 has Accrued.
- (9) Interest on capital to be allowed at 5% for one year.
- (10) Interest on drawings to be charged to him ascertained for the year Rs. 160.

Q.2 Following balances are extracted from the Ledger of Mr. Vijay as on 31st March, 2012 Prepare Trial Balance as on that date.

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| Particulars | Rs | Particulars | Rs | Particulars | Rs |
|-------------------|----------|-------------------|--------|------------------|--------|
| Capital | 70,000 | Salaries | 7,000 | Furniture | 6,000 |
| Drawings | 17,000 | Rent | 2,400 | Computer | 20,000 |
| Purchases | 57,000 | General expenses | 400 | Goodwill | 10,000 |
| Carriage | 2,000 | Rates & Taxes | 6,000 | Cash in Bank | 3,000 |
| Sales Return | 3,000 | Bad Debts | 1,600 | Cash in hand | 400 |
| Sales | 1,12,000 | Interest Received | 400 | Debtors | 42,800 |
| Discount Received | 200 | R.D.D. | 3,000 | Bills Receivable | 7,000 |
| Creditors | 14,400 | Wages | 14,400 | | |

OR

From the following ledger balances Prepare Trial Balance of Mr. Vinod as on 31st March, 2012. **14**

| Particulars | Rs | Particulars | Rs | Particular | Rs |
|-------------------------|-----------|--------------------|-----------|---------------------|-----------|
| Capital | 1,40,000 | Land & Building | 20,000 | Insurance | 5,000 |
| Wages | 8,500 | Carriage outward | 500 | Bad Debts | 2,000 |
| Salary | 4,000 | Drawings | 7,000 | Plant & Machinery | 25,000 |
| Commission(Dr.) | 1,500 | Commissison (Cr.) | 850 | Mobile Charges | 2,800 |
| Purchases | 30,000 | Sales | 84,500 | Opening Stock | 15,500 |
| Sales Return | 2,500 | Purchase Return | 2,150 | Interest (Cr.) | 3,000 |
| Printing and Stationery | 1,950 | R.D.D | 2,500 | Rent, Rates & Taxes | 1,000 |
| Furniture | 60,000 | Advertisement | 3,500 | Debtors | 46,000 |
| Investment | 18,000 | Cash in bank | 4,250 | Creditors | 28,000 |
| | | Bank loan | 25,000 | Postage & Telegram | 2,000 |

Q.3 Journalise the following transactions, post them in the Ledger and balance the accounts on 31 March. **14**

- (1) Ram started business with a capital of Rs 10,000.
- (2) He purchased goods from Mohan on credit Rs 2,000.
- (3) He paid cash to Mohan Rs 1,000.
- (4) He sold goods to Suresh Rs 2,000.
- (5) He received cash from Suresh Rs 3,000.
- (6) He further purchased goods from Mohan Rs 2,000.
- (7) He paid cash to Mohan Rs 1,000.
- (8) He further sold goods to Suresh Rs 2,000.
- (9) He received cash from Suresh Rs 1,000.

OR

On 1st January, 2006, the following were the ledger balances of Rajan & Co.: **14**
Cash in hand Rs. 900; Cash at bank Rs. 21,000; Soni (Cr.) Rs. 3,000; Zahir (Dr.) Rs. 2,400; Stock Rs. 12,000; Prasad (Cr.) Rs. 6,000; Sharma (Dr.) Rs. 4,500; Lall (Cr.) Rs. 2,700; Ascertain capital. Transactions during the month were:

| Date | particulars | Rs |
|-------|--|-------|
| 2006 | | |
| Jan 2 | Bought goods of Prasad | 2,700 |
| " 3 | Sold to Sharma | 3,000 |
| " 5 | Bought goods of Lall for cash payment made by cheque | 3,600 |
| " 7 | Took goods for personal use | 200 |
| " 13 | Received from Zahir in full settlement | 2,350 |
| " 17 | Paid to Soni in full settlement | 2,920 |
| " 22 | Paid cash for stationery | 50 |
| " 29 | Paid to Prasad by cheque | 2,650 |
| | Discount allowed by him | 50 |
| " 30 | Provide interest on capital | 100 |
| " 30 | Rent due to landlord | 200 |

Journalise the above transactions.

Q.4 Trial balance of Anurag did not agree. It showed an excess credit Rs. 10,000. **14**
Anurag put the difference to suspense account. He located the following errors :

- (i) Sales return book overcast by Rs. 1,000.
- (ii) Purchases book was undercast by Rs. 600.
- (iii) In the sales book total of page no. 4 was carried forward to page 5 as Rs. 1,000 instead of Rs. 1,200 and total of page 8 was carried forward to page 9 as Rs. 5,600 instead of Rs. 5,000.
- (iv) Goods returned to Ram Rs. 1,000 were recorded through sales book.
- (v) Credit purchases from M & Co. Rs. 8,000 were recorded through sales book.
- (vi) Credit purchases from S & Co. Rs. 5,000 were recorded through sales book. However, S & Co. were correctly credited.
- (vii) Salary paid Rs. 2,000 was debited to employee's personal account.

OR

M/s Singhania and Bros. purchased a plant for Rs. 5,00,000 on April 01, 2017, **14**
and spent Rs. 50,000 for its installation. The salvage value of the plant after its useful life of 10 years is estimated to be Rs. 10,000. Record journal entries for the year 2016-17 and draw up Plant Account and Depreciation Account for first three years given that the depreciation is charged using straight line method if:

- (i) The books of account close on March 31 every year; and
- (ii) The firm charges depreciation to the asset account.

Q.5 Write short notes. (any Two)

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1. Revenue Recognition Concept
2. Advantage of Financial Accounting
3. Going Concern Concept
4. Concept of Consistency
