

FINANCIAL ACCOUNTING

Assignment - I

Answer all questions (15 marks)

- 1) What is an account? How are accounts classified? Explain the accounting rule for each type of account.
- 2) What are subsidiary books and why are they prepared? Describe any four subsidiary books.
- 3) Prepare final accounts for Messrs Sushma for the year ended 31 March 2012, from the trial balance and additional information given below

	Dr		Cr
Furniture	640	Capital	12890
Motor Vehicles	6250	Bills Payable	200
Buildings	7590	Sundry Creditors	2500
Bad debts	125	Sales	15450
Sundry Debtors'	3800	Bank overdraft	2850
Opening Stock	3460	Purchase Returns	125
Purchases	5575	Commission	175
Sales Returns	200		
Advertising	450		
Interest	118		
Cash in Hand	650		
Insurance	1250		
General Expenses	782		
Salaries	3300		
Total	34190	Total	34190

Closing stock Rs 2000, Depreciate buildings at 10% depreciate furniture and motor vehicle at 15% salaries outstanding Rs 400.

Assignment - II

Answer all questions (15 marks)

- 1) What is an equity share? Explain the following i) face value ii) rights share iii) bonus shares.
- 2) Describe the feature of FIFO, LIFO, and simple average method of inventory valuation.
- 3) What is the meaning of depreciation? What are its causes? How is depreciation calculated under the diminishing balance method?