

Additional information:

(a) Closing stock Rs. 9,000

(b) Provide depreciation @ 10% on machinery

(c) Interest accrued on investment Rs. 2,000

Prepare trading account, profit and loss account and balance sheet.

OR iii. What do you mean by accounting error? Explain types of errors and suspense account. **8**

Q.5 i. Explain any three objectives of depreciation. **3**

ii. In a business there was debit balance of machinery account Rs. 1,20,000 on 1st January 2023. These machines were purchased on 1st January 2023 for Rs. 1,50,000. On 30th June 2023 an additional machine was purchased for Rs. 60,000. On 30th September 2023 a machine was sold for Rs. 20,000 which was purchased on 1st January 2023 for Rs. 40,000. Depreciation is charged @ 10% per annum on straight line method basis on 31st December each year. Prepare machinery account for the year 2023. **7**

OR iii. The cash book shows a bank balance of ₹ 7,800. On comparing the cash book with passbook, the following discrepancies were noted: **7**

(a) Cheque deposited in bank but not credited ₹ 3,000

(b) Cheque issued but not yet present for payment ₹ 1,500

(c) Insurance premium paid by the bank ₹ 2,000

(d) Bank interest credit by the bank ₹ 400

(e) Bank charges ₹ 100

(d) Directly deposited by a customer ₹ 4,000

Q.6 Attempt any two:

i. Write a short note on: **5**

(a) Creation of account (b) Creation of inventory

ii. Define term voucher. Describe editing and deleting of vouchers. **5**

iii. What do you mean by computerized accounting? Explain its advantages. **5**

Total No. of Questions: 6

Total No. of Printed Pages: 4

Enrollment No.....



Faculty of Commerce
End Sem Examination Dec-2023
CM3CO03 Financial Accounting -I

Programme: B.Com. (Hons.) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. According to Going concern concept a business entity is assumed to have- **1**
- (a) Long life (b) Short life
- (c) Very short life (d) Definite life
- ii. According to cost concept the assets are always valued at- **1**
- (a) Market price (b) Purchase price
- (c) Current price (d) All of these
- iii. Generally, journal is divided- **1**
- (a) In two parts (b) In four parts
- (c) In five parts (d) In eight parts
- iv. Which account of the following will be credited on giving of goods in donation? **1**
- (a) Sales a/c (b) Purchase a/c
- (c) Donation a/c (d) Cash a/c
- v. Goodwill is- **1**
- (a) Current assets (b) Intangible fixed assets
- (c) Tangible fixed assets (d) Investment
- vi. Errors committed by omitting entries in the journal book are called _____ **1**
- (a) Error of commission (b) Error of principle
- (c) Error of omission (d) None of these
- vii. Bank reconciliation statement compares a bank statement with _____. **1**
- (a) Cash payment journal (b) Cash receipt journal
- (c) Financial statements (d) Cashbook

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- viii. The main objective of depreciation is- **1**
 (a) To show the previous profit
 (b) To calculate net profit
 (c) To reduce tax
 (d) To satisfy the tax department
- ix. A voucher is prepared on the basis of _____. **1**
 (a) The journal entries
 (b) The ledger entries
 (c) The documentary evidence
 (d) All of these
- x. Which of the following is documentary evidence that records the details of a transaction and is prepared in a specific format? **1**
 (a) Journal (b) Ledger
 (c) Voucher (d) All of these

- Q.2 i. What is accounting equations? **2**
 ii. Explain uses of accounting. **3**
 iii. "Accounting concepts and conventions are foundation of accounting principles?" Explain any five concepts of accounting. **5**
- OR iv. Explain the term 'accounting' and discuss its advantages and limitations. **5**

- Q.3 i. Explain the rule of debit and credit. **2**
 ii. Arun is a trader dealing in automobiles. For the following transactions, pass journal entries for the month of January, 2023. **8**
 (a) Commenced business with cash 90,000
 (b) Purchased goods from X and Co. on credit 40,000
 (c) Accepted bills drawn by X and Co. 20,000
 (d) Sold goods to D and Co. on credit 10,000
 (e) Paid by cash the bill drawn by X and Co.
 (f) Received cheque from D and Co. in full settlement and deposited the same in bank 9,000
 (g) Commission received in cash 5,000
 (h) Goods costing Rs. 40,000 was sold and cash received 50,000
 (i) Salaries paid in cash 4,000
 (j) Building purchased from Kumar and Co. for Rs. 1,00,000 and an advance of Rs. 20,000 is given in cash

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- OR iii. Prepare trial balance from the following balances-

S. No.	Accounts	Amount (Rs.)
1	Carriage inward	80
2	Discount received	320
3	Capital	6000
4	Sales	21000
5	Discount allowed	480
6	Insurance and taxes	240
7	General expenses	650
8	Drawings	400
9	Bills payable	200
10	Purchases	15280
11	Building	4800
12	Carriage outward	150
13	Cash in hand	1480
14	Sales returns	300
15	Debtors	6840
16	Purchases Returns	140
17	Creditors	3020
18	Rent received	220

- Q.4 i. What do you mean by balance sheet? **2**
 ii. **8**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Purchases	75,000	Capital	60,000
Returns inward	2,000	Creditors	30,000
Opening stock	10,000	Sales	1,20,000
Freight inwards	4,000	Returns outward	1,000
Wages	2,000		
Investments	10,000		
Bank charges	1,000		
Land	30,000		
Machinery	30,000		
Building	25,000		
Cash at bank	18,000		
Cash in hand	4,000		
	2,11,000		2,11,000

Scheme of Marking



Faculty of Commerce
End Sem Examination Dec-2023
CM3CO03 Financial Accounting- I
Programme: B.Com. Branch/Specialisation:

Note: The Paper Setter should provide the answer wise splitting of the marks in the scheme below.

Q.1	i.	a) long life	1
	ii.	b) purchase price	1
	iii.	c) In five parts	1
	iv.	b) Purchase a/c	1
	v.	b) Intangible fixed assets	1
	vi.	c) Error of omission	1
	vii.	d) Cashbook	1
	viii.	b) To calculate net profit	1
	ix.	c) The documentary evidence	1
	x.	c) Voucher	1
Q.2	i.	What is accounting equations? As per Answer	2
	ii.	Explain uses of accounting. 1 mark for each use (1 mark * 3)	3
	iii.	"Accounting concepts and conventions are foundation of accounting principles?" Explain any five concepts of accounting. mark for each concept (1 mark * 5)	5
OR	iv.	Explain the term 'accounting' Its advantages Limitations	1 mark 2 marks 2 marks
Q.3	i.	Explain the rule of debit and credit. As per the answer	2
	ii.	Arun is a trader dealing in automobiles. For the following transactions, pass journal entries for the month of January, 2023. As per correct entries	8

OR	iii.	Prepare trial balance from the following balances- As per the solution Total 30440	8
Q.4	i.	What do you mean by balance sheet?	2
	ii.	Prepare trading account, profit and loss account and balance sheet. GP = 37000 & NP = 35000 As per the solution.	8
OR	iii.	Accounting error meaning Types of errors and suspense account	2 marks 6 marks
Q.5	i.	Explain any three objectives of depreciation. 1 mark for each objective (1 mark * 3)	3
	ii.	Prepare machinery account for the year 2023. As per solution and correct answer	7
OR	iii.	The cash book shows a bank balance of ₹ 7,800. On comparing the cash book with passbook, the following discrepancies were noted: As per the solution Answer = 4200	7
Q.6		Attempt any two:	
	i.	Write a short note on: (a) Creation of account (b) Creation of inventory	2.5 marks 2.5 marks
	ii.	Define term voucher Describe editing of vouchers Deleting of vouchers	1 mark 2 marks 2 marks
	iii.	What do you mean by computerized accounting Its advantages	1 mark 4 marks
