

Adjustments:

- (a) Stock on 31st March 2016 was valued at Rs. 4,00,000.
 (b) Depreciate furniture @ 10% p.a.
 (c) Insurance of Rs. 60,000 was paid in advance

- Q.5 i. Explain the causes of depreciation. **4**
 ii. Saraswati Ltd. purchased a machinery costing ₹ 10,00,000 on January 01, 2011. A new machinery was purchased on 01 May 2012 for ₹ 15,00,000 and another on July 01, 2014, for ₹ 12,00,000. A part of the machinery which originally cost ₹ 2,00,000 in 2011 was sold for ₹ 75,000 on April 30, 2014. Show the machinery account, from 2011 to 2015 if depreciation is provided at 10% p.a. on WDV and accounts are closed on March 31, every year. **6**
- OR iii. The cash book shows a bank balance of ₹ 7,800. On comparing the cash book with passbook, the following discrepancies were noted: **6**
 (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
 (f) Directly deposited by a customer ₹ 4,000
- Q.6 Attempt any two:
 i. Explain any five advantages of computerised accounting. **5**
 ii. Elaborate the procedure of grouping the accounts and creating accounts and inventory. **5**
 iii. Elaborate the procedure of entering of financial transactions. **5**

Enrollment No.....



Faculty of Management Studies
 End Sem Examination Dec-2023
 MS3CO33 Financial Accounting

Programme: BBA

Branch/Specialisation: Business Analytics

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. _____ is a specialised branch of accounting that keeps track of a company's financial transactions. **1**
 (a) Cost accounting (b) Management accounting
 (c) Financial Accounting (d) Corporate accounting
- ii. _____ is a written evidence in support of a business transaction. **1**
 (a) Ledger (b) Voucher (c) Ledger Posting (d) Journal
- iii. _____ is not a primary source of long-term debt financing. **1**
 (a) Accounts payable (b) Leases (c) Bonds (d) None of these
- iv. _____ explain the financial position of the reporting entity at the end of the accounting period. **1**
 (a) Balance sheet (b) Income statement
 (c) Ledger (d) Notes & schedules
- v. _____ is a structured representation of the financial performance and financial position of a business and changes over a period of time. **1**
 (a) Profit and loss account (b) Financial statement
 (c) Balance sheet (d) Internal audit
- vi. Gross profit is:- **1**
 (a) Cost of goods sold + Opening stock (b) Sales – cost of goods sold
 (c) Sales – Purchases (d) Net profit – expenses
- vii. Under which depreciation method does the amount of depreciation expenses remains the same throughout the useful life of a fixed asset? **1**
 (a) Reducing balance method (b) Number of units produced method
 (c) Machine hours method (d) Straight-line method
- viii. Bank reconciliation statement compares a bank statement with _____. **1**
 (a) Cash payment journal (b) Cash receipt journal
 (c) Financial statements (d) Cashbook
- ix. If an organisation wants to develop a computerised accounting system according to its need as the business of the organisation is complex. Which software should opt for? **1**
 (a) Ready to use software (b) Customised software
 (c) Tailor-made software (d) All of these

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- x. What are the factors to be considered while using source accounting software? **1**
- (a) Flexibility (b) Adaptability
- (c) Interest in management (d) Both (a) and (b)

- Q.2 i. Define the term accounting. **2**
- ii. What are the disadvantages of accounting? (Explain any 3) **3**
- iii. What is voucher? Explain the types of vouchers. **5**
- OR iv. Elaborate any five Accounting Concepts. **5**

- Q.3 i. What are objectives of Trial Balance? **2**
- ii. Ananth is a trader dealing in textiles. For the following transactions, pass journal entries for the month of January 2018. **8**

Jan.	Rs.
1 Commenced business with cash	70,000
2 Purchased goods from X and Co. on credit	30,000
3 Cash deposited into bank	40,000
4 Bought a building from L and Co. on credit	95,000
5 Cash withdrawn from bank for office use	5,000
6 Cash withdrawn from bank for personal use of Ananthu	4,000
7 Towels given as charities	3,000
9 Sarees distributed as free samples	3,000

- OR iii. Record the following transactions in a bank column cash book for December 2016: **8**

	Amount
01 Started business with cash	80,000
04 Deposited in bank	50,000
10 Received cash from Rahul	1,000
15 Bought goods for cash	8,000
22 Bought goods by cheque	10,000
25 Paid to Shyam by cash	20,000
30 Drew from Bank for office use	2,000
31 Rent paid by cheque	1,000

- Q.4 i. What are the uses of Financial Statements? (Explain any 2) **2**
- ii. The following balances have been extracted from the trial of M/s Haryana Chemical Ltd. You are required to prepare a trading and profit and loss account and balance sheet as on March 31, 2017 from the given information. **8**

Account Title	Amount
Opening Stock	50,000
Sales	3,50,000
Purchases	1,25,500
Purchases Return	2,500
Sales Return	2,000
Creditors	25,000
Cash in hand	21,200
Rent	5,000

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Cash at bank	12,000
Interest	2,000
Carriage	100
Bills Payable	1,71,700
Free hold land	3,20,000
Capital	3,00,000
Patents	1,20,000
General Expenses	2,000
Sundry Debtors	32,500
Building	86,000
Machinery	34,500
Insurance	12,400
Drawings	10,000
Motor Vehicle	10,500
Bad debts	2,000
Light and Water	1,200
Trade expenses	2,000
Power	3,900
Salary and Wages	5,400
Loan @ 10% (01.10.2016)	3,000

Adjustments:

(a) Closing stock was valued at the end of the year ₹ 40,000.

(b) Salary amounting ₹ 500 and trade expense ₹ 300 are due.

(c) Depreciation charged on building and machinery are @ 4% and @ 5% respectively.

(d) Make a provision of @ 5% on sundry debtors.

- OR iii. Following is the trial balance of Brijesh. Prepare final accounts for the year ended on 31st March 2016. **8**

Particulars	Debit ₹	Credit ₹
Stock as on 01-04-2015	2,00,000	
Purchases and Sales	22,00,000	33,00,000
Returns	1,00,000	80,000
Carriage inwards	50,000	
Salaries	2,60,000	
Insurance	1,20,000	
Wages	80,000	
Bad debts	10,000	
Furniture	7,00,000,	
Capital		7,50,000
Printing and stationery	80,000	
Cash at bank	3,15,000	
Petty cash	5,000	
Commission	10,000	
	41,30,000	41,30,000