

OR iii. Prepare the Format of Financial statement as per company Act,2013 use of 7  
IND –AS, Division II Schedule III.

Q.5 i. What is depletion? 4  
ii. A company purchased a machine for Rs.20,000 on 1<sup>st</sup> October 2000 and on 1<sup>st</sup> April 2001 another machinery was purchased for Rs.12,000. On 1<sup>st</sup> July 2002 the first machine purchased on 1<sup>st</sup> October 2000 for Rs.20,000 was sold for Rs.16,500 and a new machine was purchased on the same day for Rs.10,000. On 31<sup>st</sup> March 2004 the second machine which was purchased on 1<sup>st</sup> April 2001 for Rs.12,000 was sold for Rs.8,900.

Prepare Machinery Account for 4 years, providing depreciation by W.D.V. Method at 10% per annum. The accounting year of the company ended on financial year.

OR iii. On comparing the cash book with the passbook of Naman, it is found that on 6 March 31, 2017, bank balance of ₹ 40,960 showed by the cash book differs from the bank balance with regard to the following:

- (a) Bank charges ₹ 100 on March 31, 2017, are not entered in the cash book.
- (b) On March 21, 2017, a debtor paid ₹ 2,000 into the company's bank in settlement of his account, but no entry was made in the cash book of the company in respect of this.
- (c) Cheques totalling ₹ 12,980 were issued by the company and duly recorded in the cash book before March 31, 2017, but had not been presented at the bank for payment until after that date.
- (d) A bill for ₹ 6,900 discounted with the bank is entered in the cash book with recording the discount charge of ₹ 800.
- (e) ₹ 3,520 is entered in the cash book as paid into bank on March 31st, 2017, but not credited by the bank until the following day.
- (f) No entry has been made in the cash book to record the dishonour or on March 15, 2017 of a cheque for ₹ 650 received from Bhanu.

Prepare a reconciliation statement as on March 31, 2017.

Q.6 Attempt any two:

- i. Explain the advantages of computerized accounting. 5
- ii. What is grouping of account in computerized accounting? 5
- iii. How to create stock group? 5

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Total No. of Questions: 6

Total No. of Printed Pages: 4

Enrollment No.....



Programme: BBA

Faculty of Management Studies  
End Sem Examination Dec-2023

MS3CO17 Financial Accounting

Branch/Specialisation: Management

**Maximum Marks: 60**

Duration: 3 Hrs.

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. The policy 'Anticipate no profit and provide for all possible losses' is due to – 1  
 (a) Going Concern (b) Convention of Conservatism  
 (c) Accounting Period (d) Accrual Concept
- ii. "Book- Keeping is the art of recording business dealings in a set of books." 1  
 Who said?  
 (a) J.R.Batliboi (b) Carter  
 (c) Spicer and Pegier (d) None of these
- iii. Cash received from debtors needed for construction of cash account can be 1  
 had from:  
 (a) Debtors A/c (b) Balance Sheet  
 (c) Bank A/c (d) None of these
- iv. Paid cash as wages on installation of a machine: 1  
 (a) Paid wages A/c (b) Credit wages A/c  
 (c) Debit machinery A/c (d) Credit machinery A/c
- v. Closing stock is valued at: 1  
 (a) At cost price  
 (b) At purchase price  
 (c) At Market price  
 (d) At cost or market price, whichever is lower
- vi. Prepaid expenses appearing in Trail Balance will figure in: 1  
 (a) Manufacturing A/c (b) Trading A/c  
 (c) Profit and Loss A/c (d) Balance Sheet
- vii. The use life of land is: 1  
 (a) Constant (b) Limited (c) Unlimited (d) All of these
- viii. In cash book, the favourable balance indicates- 1  
 (a) Credit Balance (b) Debit Balance  
 (c) Bank Overdraft (d) Adjusted Balance
- ix. 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)

		[2]																						
x.	What are not advantages of a computerised accounting system?	1																						
	(a) High speed	(b) High reliability																						
	(c) Reduced training cost	(d) None of these																						
Q.2	i. Describe the followings –	2																						
	(a) Business entity concept	(b) Going concern																						
ii.	What is accounting equation?	3																						
iii.	Explain the accounting standards.	5																						
OR	iv. Explain the scope and objects of financial accounting.	5																						
Q.3	i. What is the rules of debit and credit.	2																						
ii.	Following was the position of Rahul as on 1 <sup>st</sup> April 2023: Cash in hand rs.1,00,000; Cash at bank Rs.1,68,000; Furniture Rs.80,000; Stock Rs.50,000; debtors: Ashok Rs.10,000 and Harshal Rs.15,000; Creditors ArunRs.20,000 and Anil Rs.20,000; bank Loan Rs.2,00,000	8																						
	Following transactions took place during April 2023: Prepare journal.																							
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OR	iii. On 1st April 2023, Mohit started business with a capital of ₹ 50,000. He made the following transactions:	8																						
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April 04	Cash paid to Rita	10,000																						
April 06	Goods sold to Rohit	25,000																						
April 08	Received cash from Rohit	20,000																						
April 12	Goods purchased from Rita	12,000																						
April 18	Cash paid to Rita	20,000																						

[3]		
April 25	Goods sold to Rohit	10,000
April 30	Received cash from Rohit	6,000

You are required to journalise the above transactions and show the respective Ledger accounts.

- Q.4** i. State the utility of final account. **3**  
ii. The following Trial Balance has been prepared as on 31<sup>st</sup> March 2021 in the book of Navin Stores: **7**

## Trial Balance

Dr.		Cr.	
Particular	Rs.	Particular	Rs.
Purchases (adjusted by Stock a/c)	15,000	Sales	24,000
Wages	1,860	O/s Wages upto 1st April,2020	72
Factory Expenses	1,440	Bad debts Reserve	200
Carriage	480	Dividend and Interest	416
Prepaid Insurance upto 1st April, 2020	50	Creditors	1,500
Bad Debts	48	Capital	5,694
Rent & Insurance	620		
Salaries	1,080		
Sundry Debtors	3,000		
Stock at 31 <sup>st</sup> March,2021	1,640		
Investment	1,600		
Bank Balance	200		
Accrued Interest upto 31st March, 2021	24		
Furniture	840		
Machinery	4,000		
	<b>31,882</b>		<b>31,882</b>

Prepare the Final Accounts and the following adjustments have to be taken into consideration:

- (a) Outstanding Expenses: Rent Rs.40, Salaries Rs.48
  - (b) Prepaid Expenses: Insurance Rs.20, Wages Rs.32
  - (c) Machinery worth Rs.800 was purchased on credit on 1<sup>st</sup> October 2020 for which no entry has been made.
  - (d) Write off depreciation on Machinery and Furniture @ 10% p.a.
  - (e) Maintain the Reserve for Doubtful debts at 4% on Debtors.
  - (f) Goods worth Rs.220 were taken for personal use by Navin but no entry has been made in the books.
  - (g) Provide for Manager's Commission at 10% on net profit after charging such commission.

MS3 COLT

Financial Accounting

BBA

Q1.

MCQ:

- (i) (B) conversion of conservatism.
- (ii) (A) J.R. Batiboi
- (iii) (A) Debtors A/c
- (iv) (C) Debit machinery A/c
- (v) (D) At cost or market price, whichever is lower
- (vi) (D) Balance sheet
- (vii) (C) Unlimited
- (viii) (B) Debit Balance
- (ix) (D) Both (a) and (b)
- (x) (D) None of these (C) Reduced training cost.

Solution

3(ii)

IN THE BOOK OF RAHUL

Journal Entries.

Date	Particulars	Dr.	Amount	Amount in Rs (Dr.) in Rs (Cr.)
1-4-23	Cash in hand			
1-4-23	Cash in hand a/c	Dr.	1,00,000	
	Cash at bank a/c	Dr.	1,68,000	
	Furniture a/c	Dr.	80,000	
	Stocks a/c	Dr.	50,000	
	Debtors a/c - Arun	Dr.	25,000	
	Ashok 10,000			
	Harshal 15,000			
	To creditors a/c -			40,000
	Arun 20,000			
	Anil 20,000			
	To, Bank loan a/c			2,00,000
	To, Capital a/c (Bal. fig)			183,000
	(Being old balance. qd)			

3.4.23 Cheque in hand a/c Dr. 9500  
 Discount a/c Dr. 500  
 To Ashok's a/c 10,000  
(Being cheque received after deducting 5% c.d.)

4.4.23. Bank a/c Dr. 9500  
 To cheque in hand a/c 9500  
(Being Ashok's cheque deposited in to bank)

6.4.23 Purchases a/c Dr. 9000  
 To Bank a/c 8820  
 To Discount a/c 180  
(Being goods purchases and paid by NEFT)

8.4.23 Bank a/c Dr. 14500  
 Discount a/c Dr. 500  
 To Harshal's a/c 15,000  
(Being amount received from Harshal after discount of ₹ 500)

10.4.23 Arun's a/c Dr. 20,000  
 To cash a/c 19000  
 To Discount a/c 1000  
(Being cash paid to Arun after deducting 5% c.d.)

15.4.23 Mohan's a/c Dr. 18000  
 To Sales a/c 18000  
(Being goods sold on 10% T.D.)

20.4.23 S/R a/c

Dr. 4500

To Mohan a/c

4500

25.4.23 Bank charged a/c

Dr. 100

To Bank a/c

100

31.4.23 Cash a/c

Dr. 500

To Ram commission

500

(Being commission received from  
Ram)

31.4.23 No entry made

G.T.

Solution

3(iii)

IN THE BOOK OF MOHIT

Journal entries

3.4.18 Cash a/c

Dr. 50,000

To Capital a/c

50,000

3.4.18 Purchases a/c

Dr. 20,000

To Rita

20,000

4.4.18 Rita's a/c

Dr. 10,000

To cash a/c

10,000

6.4.18 Rohit's a/c

Dr. 25,000

To sales a/c

25,000

8.4.18 Cash a/c

Dr. 20,000

To Rohit's a/c

20,000

12.4.18	Rita's a/c		
12.4.18	Purchases a/c	Dr. 12000	
	To Rita's a/c		12000
18.4.18	Cash a/c	Dr. 20000	
	To Rita		20000
25.4.18	Rohit's a/c	Dr. 10000	
	To Sales a/c		10000
30.4.18	Cash a/c	Dr. 6000	
	To Rohit		6000

Ledger a/cCASH a/c

1.4.18	To Capital a/c	50,000	4.4.18 By Rita's a/c	10,000
8.4.18	To Rohit's a/c	20,000	18.4.18 By Rohit's a/c	20,000
30.4.18	To Rohit's a/c	6000	30.4.18 By Bal. c/d	46,000
		<u>76,000</u>		<u>76,000</u>

CAPITAL a/c

30.4.18	To Bal. c/d	<u>50,000</u>	1.4.18 By cash a/c	<u>50,000</u>
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Purchases a/c

3.4.18	To, Rita's a/c	20,000		
12.4.18	To Rita's a/c	12000	30.4.18 By Trading a/c	32000
		<u>32,000</u>	By c/d	<u>32,000</u>

Rita's a/c

4.4.18	To cash a/c	10,000	3.4.18 By Purchases a/c	20,000
18.4.18	To cash a/c	20,000	12.4.18 By Purchases a/c	12,000
30.4.18	To Bal c/d	<u>2000</u>		<u>32,000</u>
		<u>32,000</u>		<u>32,000</u>

## Sales A/c

30.4.18 By Trading a/c c/d	35,000	6.4.18 By Rohit a/c 25,000
	<u>35,000</u>	25.4.18 By Rohit a/c 10,000
		<u>10,000</u>

## Rohit's A/c

6.4.18 To Sales a/c	25,000	8.4.18 By cash a/c 20,000
25.4.18 To Sales a/c	10,000	30.4.18 By cash a/c 6,000
		30.4.18 By Bal. old 9,000
	<u>35,000</u>	<u>35,000</u>

Solution  
4(ii)

IN THE BOOK OF NAVIN STORES.

Trading a/c, Profit and Loss A/c

for the year ended 31.3.21

Particulars.	₹	Particulars.	₹
To, Purchases	15000	By Sales	24,000
less: Drawing	- 220	14780	
To Wages	1860	1756	
less: Prepaid	= 32	<del>1756</del>	
less: Cr. A/c	= 72		
To Factory Exp.	1440		
To Carriage	480		
To Gross Profit	5544		
	<u>24000</u>		<u>24000</u>
To, Bad Debts.	48	By Gross profit -	5544
To Rent & Ins.	620	By B/D/R (old)	200
Add: Crs Rent	+ 40	By Dividend & Int.	416
less: Prepaid Ins.	- 20		
Add: Prepaid Ins.	+ 50		
(1st April)	690		
To, Salaries.	1080		
Add: Crs	+ 48	1128	
To, New B/D/R	120		

To, Depreciation a/c -

Machinery	440	
Furniture	84	
To, Ofc Manager Com.	332	
To Net Profit	3318	
	<u>6160</u>	<u>6160</u>

### Balance-sheets

as on 31.3.2021

Liabilities.	₹	Assets.	₹
Capital	5694	Machinery	6000
+ NP.	3318	Add'l. Need	800
	<u>9012</u>		<u>4800</u>
- Drawing	<u>- 220</u>	less: Dep. - 440	4360
		Furniture <u>(840 - 84)</u>	<u>756</u>
Creditors.	1500	Investment	1600
+ New Machinery	<u>+ 800</u>	Stock	1640
Ofc Rent	40	Bank Bal.	200
Ofc Salaries.	48	Accrued Int.	24
Ofc Manager Com.	332	Debtors	3000
		- B/D/R <u>- 120</u>	<u>2880</u>
		Prepaid Insurance	90
		Prepaid Wages	32
	<u>11512</u>		<u>11512</u>

Solution

5(ii)

### Machinery A/c

(W.D.R @ 10% method)

1.10.2020 To Bank A/c	20,000	31.3.21 By Dep. a/c	1000
		31.3.21 By Bal. a/c	19000
	<u>20,000</u>		<u>20,000</u>

1.4.21 To Bal. b/d	19000	31.3.22 By Dep. a/c	
1.4.21 To, Bank a/c (b)	12000	(a) 1900	
		(b) 1200	3100
		31.3.22 By Bal. c/d	
		(a) 17100	
		(b) 10800	27,900
	<u>31000</u>		<u>31000</u>
1.4.22 To Bal. b/d		1.7.22 By Bank a/c	16500
(a) 17100		By Dep. a/c	428
(b) 10800	27,900	By PSL A/c	172
1.7.22 To Bank a/c	10,000	31.3.23 By Dep. a/c	
		(b) 1080	
		(c) 750	1830
		31.3.23 By Bal. c/d	
		(b) 16,020	9720
		(c) 9250	24220
	<u>37900</u>		<u>18970</u>
1.4.23 To, Bal. b/d -		31.3.24 By Dep. a/c	
(b) 9720		(b) 972	
(c) 9250	18970	(c) 925	1897
31.3.24 To, PSL A/c	152	31.3.24 By Bank a/c	8900
		31.3.24 By Bal. c/d	8325
	<u>19122</u>		<u>19,122</u>
1.4.24 To Bal. b/d	8325		

5(ii)

Bank Reconciliation statement

as on 31.3.2017

+ (-)

Amount(₹)      Amount(₹)

Balance as per cash book      40960

(a) Bank debited charges	100
(b) Amount directly paid by debtors into bank a/c	2000
(c) cheques issued but not presented for payment	12,980
(d) Discount charges of bill was omitted to be recorded in the Cash Book	800
(e) Amount debited in bank column of the cash book but not deposited in bank	3520
(f) cheque dishonoured not recorded in the cash book	650

Balance as per pass book      —      50,870

55940      55940