

B.Com. Part-II Exam-2020

C 11G: FINANCIAL ACCOUNTING I

(Answer any five questions)

F.M. 5x10=50

1. Mr. Mangesh is dealing in business. He maintains his accounting with Single Entry. The following are details of his business.

Particulars	01-04-	31-03-
Land and Building	40,000	50,000
Machinery	30,000	40,000
Furniture	10,000	10,000
Debtors	20,000	40,000
Stock	10,000	25,000
Cash Balance	5,000	15,000
Bills Receivable	5,000	5,000
Creditors	25,000	25,000
Bank Overdraft	5,000	—
Bank Balance	—	10,000

Mr. Mangesh introduced Rs 10,000 as additional Capital. He spent Rs 45,000 for personal use, depreciates Land and Building by Rs 5,000. Provide 5% reserve on doubtful debts on Debtors.

Prepare: Opening Statement of affairs, Closing Statement of affairs and the Statement of profit or loss.

2. 1,000 toys consigned by Roy & Co. of Calcutta to T. Nu of Rangoon at an invoice cost of Rs 150 each. Roy & Co. paid freight Rs 10,000 and insurance Rs 1,500. During the voyage 100 toys were totally damaged by fire and had to be thrown overboard. T. Nu took delivery of the remaining toys and paid Rs 14,400 as customs duty. T. Nu sent a bank draft to Roy & Co. for Rs 50,000 as advance payment and later sent an account sales showing that 800 toys had been sold at Rs 220 each. Expenses incurred by T. Nu on godown rent and advertisement, etc., amounted to Rs 2,000. T. Nu was entitled to commission of 5 per cent. One of the credit customers could not pay for 5 toys. Prepare the Consignment Account, T. Nu's account.
3. On 1st July, 2016 a company purchased a machine for Rs 390000 and spent Rs 10000 on its installation. It decided to provide depreciation @ 15% per annum, using written down value method. On 30th November, 2018 the machine was sold for Rs 100000.
On 1st December, 2018 the company acquired and put into operation a new machine at a total cost of Rs 7,60,000. Depreciation was provided on the new machine on the same basis as had been used in the case of the earlier machine. The company closes its books of account every year on 31st March.
4. Mention three differences between Cash and Accrual basis of Accounting.
From the following information, ascertain the income for the year ended 31.12.2018 according to accrual basis of accounting.
- | | |
|--|-----------------|
| | (Figures in Rs) |
| Income received in cash during the year ended 31.12.2018 | 148000 |
| Accrued income as on 1.1.2018 | 10000 |
| Accrued income as on 31.12.2018 | 12000 |
| Income of 2018 received in 2017 | 5000 |