

B. COM PART I EXAMINATION 2020

C 11G: FINANCIAL ACCOUNTING I

(Answer any five questions)

(FM: 5×20=100)

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. (20)

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. (20)

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. (20)

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

(6+14)

5. The following balances were extracted from the books of Thomas as on 31st March, 2018

Particulars	₹	Particulars	₹
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

Additional information:

- Closing stock Rs. 9,000
- Provide depreciation @ 10% on machinery
- Interest accrued on investment Rs. 2,000

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

(20)

6. Fire occurred on the business premises of 'Style India' on 1st April, 2018 and most of the stock were destroyed. Ascertain the insurance claim from the following particulars :

Particulars	Amount (Year 2017)	Amount (01 Jan to 31st March 2018)
Sale	2,500,000	750,000
Purchases	1,800,000	350,000
Opening Stock (01-01-2017)	270000	
Closing Stock (31-12-2017)	498,750	
Direct Expenses (Freight & wages)	150,000	30,000

- Stock as on 01-01-2017, valued 10% less at the cost.
- Stock as on 31-12-2017 value 5% more at the cost.
- Value of stock salvaged Rs. 45,000.
- Insurance policy (for fire) was for Rs. 300,000.

(20)