

**Swami Purnanand Degree College of Technical Education**

**B.Sc. I.T. 1<sup>st</sup> sem**

**External Examination Assignment 2021**

**Financial Accounting**

**All questions are compulsory. (4x7=28)**

**M.M- 70**

1. What is accounting? Explain different types of accounting. What are the limitation of accounting?
2. What do you understand by final accounts? What are the objectives of their preparation?
3. Jeyaseeli is a sole proprietor having a provisions store. Following are the transactions during the month of January, 2018. Journalise them.

Jan.

Rs.

- |    |   |        |        |
|----|---|--------|--------|
| 1  | Commenced business with cash  | 80,000 |        |
| 2  | Deposited cash with bank  | 40,000 |        |
| 3  | Purchased goods by paying cash  | 5,000  |        |
| 4  | Purchased goods from Lipton & Co. on credit                           |        | 10,000 |
| 5  | Sold goods to Joy and received cash                                   | 11,000 |        |
| 6  | Paid salaries by cash   | 5,000  |        |
| 7  | Paid Lipton & Co. by cheque for the purchases made on 4th Jan.        |        |        |
| 8  | Bought furniture by cash  | 4,000  |        |
| 9  | Paid electricity charges by cash                                      | 1,000  |        |
| 10 | Bank paid insurance premium on furniture as per standing instructions | 300    |        |

4. What is capital budgeting. Explain its importance and difficulty

**Attempt any three question(3x14=42)**

1. What do you understand by balance sheet? Discuss its advantages.
2. What do you mean by journal? Give rules and advantages of journalising.
3. What do you understand by ledger? Explain the rules of posting with example.
4. What do you understand by marginal costing? Explain its scope and importance.
5. Explain all cash flow techniques with the help of example.