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|--------------------|------------------------------|--------------------|---------------|
| <b>Course Code</b> | : 2305MN101                  | <b>Date</b>        | : 08-12-2023  |
| <b>Course Name</b> | : Fundamentals of Accounting | <b>Duration</b>    | : 150 Minutes |
|                    |                              | <b>Total Marks</b> | : 70          |

**Instructions:**

1. Attempt all the questions.
2. Figures to the right indicates maximum marks.
3. Make suitable assumptions wherever necessary.

- Q.1 (A)** Explain the characteristics of accounting. **4**
- (B)** Explain the terms: **3**
1. Drawings
  2. Bad-debts
  3. Trial Balance

**OR**

Discuss any three Accounting Concepts.

- (C)** Classify the following accounts under three types of accounts: Personal, Real or Nominal Accounts: **7**
1. Stationery A/c
  2. Drawings A/c
  3. Machinery A/c
  4. Rent received A/c
  5. Trademark A/c
  6. Carriage Outward A/c
  7. Outstanding Salary A/c

**OR**

What is Accounting? State objectives of Accounting.

- Q.2 (A)** What is Journal? Explain types of Journal Entries. **4**
- (B)** From the following information pass necessary journal entries in the books of Prabhas Traders: **10**
1. Prabhas Traders start business with,
 

|       |          |
|-------|----------|
| Cash  | ₹ 50,000 |
| Plant | ₹ 70,000 |
| Goods | ₹ 30,000 |
  2. Goods purchased from Raju ₹ 25,000
  3. Goods sold for cash ₹ 60,000
  4. Goods purchased from Sachin traders with 5% trade discount ₹ 25,000.
  5. Rent received ₹ 12,000
  6. Salary paid to clerk ₹ 15,000
  7. Charge depreciation on furniture 10% p.a. for one month (furniture of ₹ 1,20,000)
  8. Charge interest on capital (₹ 3,00,000) 10% p.a. for six months.
  9. 10% goods returned by Raju.
  10. Goods worth ₹ 12,500 withdraw for personal use.

**OR**

What are Subsidiary Books? Explain types of Subsidiary Books.

- Q.3 (A)** What is Trial Balance? State objectives for the preparation of Trial Balance. **4**
- (B)** Evaluate arithmetical accuracy by preparing trial balance of M/s Surbhi Traders for the year ending on 31-03-2022 from the following balances. **10**

| Particulars              | Amount (₹) | Particulars       | Amount (₹) |
|--------------------------|------------|-------------------|------------|
| Stock (As on 01-04-2021) | 12,000     | Interest Received | 3,200      |
| Wages and salaries       | 16,000     | BOD               | 6,000      |
| Purchase Returns         | 7,500      | Rent Received     | 2,500      |
| Debtors                  | 25,400     | Sales             | 1,19,000   |
| Provident Fund           | 4,700      | Insurance Premium | 2,500      |
| Telephone Bills          | 800        | Carriage Inwards  | 2,000      |
| Duty paid on Purchase    | 10,000     | Sales Returns     | 7,000      |
| Sales Promotion Exp.     | 6,000      | Building          | 90,000     |
| Drawings                 | 3,200      | Machinery         | 70,000     |
| Bad Debts                | 4,300      | Cash in hand      | 1,000      |
| Discount Received        | 1,500      | Bank Balance      | 39,500     |
| Bills Payable            | 9,000      | Furniture         | 1,000      |
| Purchase                 | 64,500     | Goodwill          | 9,000      |
| Creditors                | 50,000     | Carriage Outwards | 9,200      |
| Capital                  | 1,80,000   | Stationery        | 10,000     |

**OR**

Following information provided by Shyam Traders, you are required to calculate inventory on August, 31 according to 1) FIFO and 2) LIFO Methods (P/u = Per unit price)

| Date       | Receipt                                  | Date       | Issue                 |
|------------|------------------------------------------|------------|-----------------------|
| 01-08-2023 | Opening Balance<br>5,000 Units @ ₹ 4 P/u | 10-08-2023 | 7,000 Units           |
| 05-08-2023 | 4,000 Units @ ₹ 2 P/u                    | 12-08-2023 | 1,500 Units           |
| 08-08-2023 | 3,000 Units @ ₹ 6 P/u                    | 20-08-2023 | 2,500 Units           |
| 15-08-2023 | 2,000 Units @ 5 P/u                      | 24-08-2023 | 1,000 Units           |
| 26-08-2023 | 4,000 Units @ 3 P/u                      | 28-08-2023 | Shortage<br>500 Units |

- Q.4 (A)** State the meaning of Balance Sheet. Explain characteristics of Balance Sheet. **4**
- (B)** The following is the trial balance of M/s Krishna Traders as on 31.03.2023. Prepare final accounts: **10**

| Particulars                            | Debit ₹ | Credit ₹ |
|----------------------------------------|---------|----------|
| Opening Stock                          | 50,000  |          |
| Capital & Drawings                     | 15,000  | 66,000   |
| Postage & Telegram                     | 1,000   |          |
| Purchases & Sales                      | 70,000  | 1,40,000 |
| Debtors and Creditors                  | 52,000  | 47,000   |
| Cash & Bank                            | 1,000   | 2,000    |
| Plant & Machinery                      | 60,000  |          |
| Return Accounts                        | 1,000   | 500      |
| Discount Allowed and Discount Received | 200     | 400      |
| Interest                               | 200     |          |
| Wages & Octroi                         | 800     |          |
| General Expenses                       | 1,200   |          |

|                                |                 |                 |
|--------------------------------|-----------------|-----------------|
| Bad Debts & Bad Debts Reserves | 1,500           | 2,000           |
| Salaries                       | 4,000           |                 |
| <b>Total</b>                   | <b>2,57,900</b> | <b>2,57,900</b> |

**Adjustments:**

1. Closing stock is of ₹ 40,000 out of which cost of 10% of stock is 20% less.
2. Depreciate Plant & Machinery by 10%.
3. Calculate interest on capital @ 10 % and on Drawings ₹ 400.
4. Goods of ₹ 5,000 were burnt by fire. Insurance Company admitted 60% claim.

**OR**

Given below are the balances extracted from the books of M/s Durva Traders as on 31st March, 2023.

| Particulars                            | Amt. ₹        | Particulars         | Amt. ₹        |
|----------------------------------------|---------------|---------------------|---------------|
| Purchases                              | 12,000        | Sales               | 17,100        |
| Wages                                  | 600           | Commission received | 2,000         |
| Freight Inwards                        | 750           | Rent received       | 1,600         |
| Advertisement                          | 500           | Creditors           | 4,000         |
| Carriage Outwards                      | 500           | Bills Payable       | 1,000         |
| Cash                                   | 1,200         | Discount received   | 10,000        |
| Machinery                              | 23,000        | Capital             | 20,000        |
| Goodwill                               | 10,000        |                     |               |
| Debtors                                | 3,850         |                     |               |
| Bills Receivable                       | 1,300         |                     |               |
| Stock (On 1 <sup>st</sup> April, 2022) | 1,000         |                     |               |
| Interest Paid                          | 1,000         |                     |               |
|                                        | <b>55,700</b> |                     | <b>55,700</b> |

Test the profitability and Financial Position by preparing the trading and profit and loss account for the year ended 31st March, 2023 and the balance sheet as on that date after adjusting the following:

1. Commission received in advance ₹ 400
2. Advertisement paid in advance ₹ 150
3. Wages outstanding ₹ 200
4. Closing stock on 31st March 2023, ₹ 2,100.

**Q.5 (A)** Write short note on Contingent Liabilities. **4**

**(B)** Write distinction between Capital Expenditure and Revenue Expenditure. **3**

**OR**

From the following information classify Capital Expenditure and Revenue Expenditure:

1. Machinery Purchased
2. Interest Paid
3. Repayment of loan taken from the bank
4. Salary paid to employees

**(C)** Prepare specimen of Profit and Loss Account as per companies act. 2013. **7**

**OR**

Prepare specimen of Balance Sheet as per companies act. 2013.

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