

**MES Vasant Joshi College of Arts & Commerce, Zuarinagar-Goa**  
**B. Com (NEP) Semester- I End Assessment (Regular/Repeat) Oct/Nov 2024**  
**Subject: Accounting Major**  
**Title: Financial Accounting-I**  
**Course Code: Com-100**

Duration: 2 hours

Total Marks: 80

**Instructions:**

1. All questions are compulsory.
2. Internal choice is available from Q.No.2 to Q.No.5
3. Simple Calculators are allowed.
4. All working notes should form a part of the answer.
5. Figures to the right indicate marks allotted.

**Q.1 Answer the following: (8X2 = 16)**

1. State any two objectives of Accounting.
2. State the model entry when the policy matures and the amount will be received under Depreciation Insurance Policy method
3. Prepare a Bills Receivable Account  
Bills Receivable as 31.03.2023                      Rs. 20,000  
Bills Receivable on 31.03.2022                      Rs. 16,000  
Bills Collected    Rs. 21,000  
Bills Receivable endorsed                              Rs. 50,000
4. What is the difference between single entry and double entry system. (01point)
5. Distinguish between outstanding expenses and prepaid expenses (01point)
6. What is Contingent liability .Give one example.
7. Mr Mahadev purchased 1000 shares of Reliance Ltd. @ Rs. 90 and stamp duty Rs. 800/- on 18<sup>th</sup> December 2022. Calculate cost of Investment.
8. Classify investments under AS 13

**Q.2 A) (12)**

**Aqua marine Ltd.** Acquired a 5 year lease on 01.04.2018 for Rs. 50,00,000/- It provides for its annual depreciation and renewal at the expiry of the period on depreciation fund system. The Depreciation Fund table shows the annual amount to be provided for on the basis of 5% interest is Rs. 9,05,000/- annually. Investments were sold on 31<sup>st</sup> March 2023 for Rs. 39,50,000/- Investments are made in multiples of hundred. Prepare Depreciation Fund Account, Depreciation Fund Investment Account.

**OR**

**Q.2 B) (12)**

**Adarsh Co.Ltd.** purchased a lease for 3 years for Rs. 3,00,000 as 01.01.2021. It was decided to provide for its replacement by taking an Insurance Policy of Rs. 3,00,000/- The annual premium was Rs. 95,000/- . on 01.01.2024, the lease will be renewed for a period of three years for Rs. 3,20,000. Prepare Depreciation Fund A/c, Depreciation Insurance Policy A/c for the years 2021, 2022, 2023.

**Q.2 C) Discuss the Entity Concept (4)**

**Q 3 A) Shri Mahesh** keeps his books on Single Entry System. His position on 1/1/2023 was as follows- (12)

Debtors -Rs 60,000, Creditors -Rs 30,000 , Bank Overdraft -Rs 10,000, Stock-Rs50,000  
,Machinery Rs 60,000 Furniture-Rs5,000, Capital Rs 135,000

The Cash book gave the following-

	Rs
Received from Debtors	80,000
Cash sales	30,000
Payment to Creditors	40,000
Cash Purchases	25,000
Interest on Bank Overdraft	1,500
Salaries	5,000
Drawings	4,000
General Exp	8,000
Rent	2,200

On 31/12/2023, his position was as follows-

Stock -Rs 45,000    Debtors - Rs70,000, Bills Receivables -Rs 6,000, Bills Payables Rs 4,000, Machinery – Rs 60,000, Furniture – Rs5,000, Creditors -Rs 25,000, Outstanding Salary – Rs500

**Other information**

- Discount allowed to Debtors Rs 4,000.
- Discount earned from Creditors Rs 2,500.
- Goods worth Rs 3,000 were returned by customers.
- Goods worth Rs 1,500 were returned to supplies.
- Depreciate Machinery at 10% Furniture at 6% .
- Prepare Trading & P/L A/c and Balance Sheet for the year ending 31/12/2023.

**Q.3 B) Explain briefly the Convention of Conservatism (04)**

**OR**

**Q.3 C) Mr Ranjit Singh** provides you the following information. Prepare Debtors account (04)

Debtors on 31/3/2022	Rs 48000
Debtors on 31/3/2023	Rs 56000
Cash collection from Debtors	Rs151600
Discount allowed	Rs4000
Cheques from Debtors	Rs20000
Bills receivable dishonoured	Rs 8000
Cheques dishonoured	Rs12000
Bills receivable drawn	Rs52000

**Q4 A) From the following information of KK Ltd., prepare a Statement of Profit and Loss for the year ended 31.03.2023 and also prepare Notes wherever required (12)**

Particulars	Rs
Sales	50,00,000
Discount Received	10,000
Discount allowed	5,000
Opening Stock of Raw Material	1,00,000
Opening Stock of Finished Goods	1,50,000
Purchase of Raw Material	5,00,000
Carriage Inward	25,000
Closing Stock of Raw Material	1,50,000
Closing Stock of Finished Goods	80,000
Salaries	2,00,000
Bonus to Staff	60,000
Staff welfare Expenses	10,000
Interest on Bank Loan	15,000
Depreciation on Fixed Assets	2,10,000
Other Administrative Expenses	3,60,000
Income tax to be provided for the Current year	6,05,000

**Q.4 B) Describe Right shares? (04)**

**OR**

**Q.4 C) Elucidate Proposed Dividend and Interim Dividend (04)**

**Q.5 A) On 01/04/2021, Star Ltd. Purchased Rs.2,00,000 6% Government Bonds (12)**  
(face value Rs.100 each) at Rs.95 each. Half-yearly interest is payable on 30<sup>th</sup> September and 31<sup>st</sup> March every year. On 01<sup>st</sup> March, 2022 Company sold 1000 of the 6% Government Bonds at Rs. 97 Ex-interest. Show entries in the Investment ledger of **Star Ltd.** for its financial year ended on 31<sup>st</sup> March, 2022, ignoring income tax and brokerage.

**Q.5 B) Briefly explain Cum interest and Ex interest (04)**

**OR**

**Q.5 C) From the following information extracted from the books of RVK Ltd, prepare a Balance sheet of the company as at 31<sup>st</sup> March 2023 as per Schedule III of the Companies Act,2013 (04)**

Particulars	Rs. in lakhs
Long term borrowings	1,00,000
Share capital	78,000
Fixed assets (Tangible)	1,20,000
Trade receivables	16,000
Trade payables	6,000
Reserves and surplus	20,000
Inventories	4,000
Cash and cash equivalent	24,000
Non- current investments	40,000

There was a pending law suit against the company for a sum of Rs 1000.