

**MES Vasant Joshi College of Arts & Commerce, Zuarinagar-Goa**

**B. Com I Semester End Assessment (Regular) Oct/Nov 2024**

**Subject: 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.No.1) Answer the following Questions:**

**(8x 2= 16 Marks)**

- i. Explain the convention of conservatism.
- ii. Distinguish between single entry and double entry system (Two points).
- iii. Explain cum quotation price.
- iv. Explain the purpose of preparing statement of affairs.
- v. Define and list intangible assets?
- vi. State how current investments are valued at the end of the financial year.
- vii. Describe notes to accounts?
- viii. Explain surrender value in an insurance policy.

**Q.No.2) A)** On 01/04/18 Nishank Ltd purchased a lease for 3 years of certain premises for Rs.3,00,000. It was decided to make a provision for replacement of the lease by means of a Sinking fund. The rate of Investment was 5% p.a. The sinking fund table shows that Re.0.317208 @ 5% p.a will in 3 years accumulate Re 1. At the end of the 3<sup>rd</sup> year, Investments realized Rs. 2,05,200/- Show sinking Fund A/c and Sinking Fund Investment A/c for 3 years in the books of Nishank Ltd.

**(12 Marks)**

**OR**

**B)** Kailash Ltd purchased a machine for 3 years for Rs.5,00,000 on 01/04/20. The Co. decided to provide for its replacement by taking insurance policy of an equal amount. The annual premium was Rs.1,64,000. On 01/04/23 the machine will be replaced with a new machinery for Rs.5,80,000. You are required to prepare Depreciation Fund A/c & Dep Insurance Policy A/c for a period of three years in the books of Kailash Ltd.

**(12 Marks)**

**C)** Elucidate any four users of accounting information?

**(4 Marks)**

**Q.No.3) A)** Shri. Karan maintains his books of accounts on single entry system of book keeping. His balances for the year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 were as follows:

Particulars	31 <sup>st</sup> March 23 (Amt) (Rs)	31 <sup>st</sup> March 24 (Amt) (Rs)
Furniture	20,000	20,000
Debtors	93,610	83,550
Creditors	94,000	83,500
Stock	79,000	88,000
Bills receivable	40,000	24,000
Bills payable	34,710	50,510
Cash	39,080	19,630

Details of cash book for the year 2023-24 is as below:

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Wages	9,000	Sales	12,000
Bills payable	30,000	Purchases	6,000
Bills receivables	43,000	Received from debtors	24,500
Miscellaneous expenses	7,000	Paid to creditors	14,250
Salary	8,000	Commission received	300
Purchase of investments	10,000	Drawings	15,000

Additional information:

- Discount allowed Rs.4,000 and discount received Rs.3,550.
- Bills accepted for Rs.45,800 and bills received Rs.30,000.
- Bad debts were Rs.5,600 and bills receivables worth Rs.3,000 were dishonoured

From the details given above you are asked to prepare Trading & Profit & Loss A/c for the year ended 31<sup>st</sup> March 2024 and Balance sheet as on the same date in the books of Shri. Karan.

**(12 Marks)**

**B)** Explain the features of single-entry system of book keeping?

**(4 Marks)**

**OR**

**C)** Explain the importance of accounting standards in preparation of accounts? **(4 Marks)**

**Q.No.4) A)** You are given the following extracts of ledger balances taken from the books of Swati Ltd for the year ending 31<sup>st</sup> March 2022. Prepare Profit & Loss A/c as per schedule III of companies act 2013.

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Salary	82,000	Audit fees	14,400
Selling expenses	27,500	Advertisement expenses	24,800
Rent received	46,900	Directors' fees	24,000
Closing stock	1,24,000	Depreciation on Plant	15,500

Purchases	5,24,000	Return inwards	28,000
Wages	13,650	Depreciation on furniture	3,450
Manufacturing expenses	68,200	Interest on investments	32,600
Sales	8,40,000	Provision for tax	14,750
Opening stock	1,68,000	Interest on debentures	22,400

(12 Marks)

**B) Disclosure of outstanding expenses and prepaid expenses in final accounts? (4 Marks)**

**OR**

**C) On 1<sup>st</sup> April 2022 Ashwin had 60,000 equity shares in Tejal Ltd. The face value of the shares was Rs.10 each but the book value was Rs.18 per share. On 1<sup>st</sup> June 2022 he purchased 12,000 equity shares at a premium of Rs.6 per share. On 1<sup>st</sup> July 2022 the directors of the Co. declared bonus issue in the ratio of 1:3. On 31<sup>st</sup> Jan 2023 he sold 20,000 equity shares of Rs.10 @ Rs.24 per share. Show investment account as it would appear in the books Vijay for the year ended 31<sup>st</sup> March 2023.**

(4 Marks)

**Q.No.5) A) On 01/04/2022, Yatin held Rs.50,000 12% Debentures (face value Rs.100 each) at Rs.47,000. On 30<sup>th</sup> June, 2022 purchase of Rs.2,00,000 Debentures at Rs.95 cum-interest. On 1<sup>st</sup> October, 2022 the company sold Rs.100,000 debentures @Rs.96 Ex-Interest. On 01<sup>st</sup> January 2023, a further Rs.70,000 of the investment was sold at Rs.98 cum-interest. Half-yearly interest is payable on 30<sup>th</sup> Sept and 31<sup>st</sup> March every year. The market price of the debentures on 31/03/2023 was Rs.99. Prepare investment ledger of Yatin for the financial year ended on 31<sup>st</sup> March 2023.**

(12 Marks)

**B) Explain the concept of bonus shares.**

(4 Marks)

**OR**

**C) You are given the following extracts of ledger balances taken from the books of Maurya Ltd for the year ending 31<sup>st</sup> March 2023. Prepare Balance Sheet as per schedule III of companies act 2013.**

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Equity share capital	6,50,000	Inventories	2,75,000
Advances to employees	80,000	Plant & Machinery	5,25,000
Sundry debtors	1,70,000	Sundry creditors	80,000
Gratuity fund	2,00,000	6% Debentures	1,20,000

(4 Marks)