

2932/5

FACULTY OF COMMERCE AND BUSINESS MANAGEMENT

B.Com. (I Semester) Examination

FINANCIAL ACCOUNTING-I

Paper I

(Common to all)

Time: 3 Hours]

[Max. Marks: 80

Section A – (Marks: 5 × 4 = 20)

1. Answer any five (5) of the following in not more than one page each:

(a) Define Financial Accounting and state its functions.

(b) What is 'Money Measurement Concept'? Explain briefly.

(c) From the following particulars, prepare Sales Book of Sharma Furniture Works:

2018 June 5 : Sold on credit to Ashok & Co.
10 Tables @ Rs. 750
50 Chairs @ Rs. 300

June 15 : Sold to Sujith & Bros. on credit
5 Almirahs @ Rs. 5,000
50 Chairs @ Rs. 300
7 Tables @ Rs. 1,000

Sharma Furniture Works allows trade discount of 10%.

(d) What is the need for the preparation of Bank Reconciliation Statement?

(e) The following errors were committed by the Accountant of M/s Rashmi & Co.:

(i) Rs. 500 paid for new furniture was charged to office expenses account.

(ii) Salary paid to Mr. Ravi Rs. 5,000 wrongly debited to his personal account.

(f) Mention the causes for Depreciation.

(g) Ascertain the cost of goods sold:

Opening Stock	Rs.	50,000
Closing Stock	Rs.	60,000
Purchases	Rs.	3,00,000
Sales	Rs.	5,00,000
Purchase returns	Rs.	20,000
Sales returns	Rs.	10,000
Wages	Rs.	40,000

(h) Write a short note on fixed assets.

Section B – (Marks: 5 × 12 = 60).

Answer the following questions.

2. (a) What are the advantages and disadvantages of accounting?

Or

- (b) Write the journal entries for the following transactions:

2018		Rs.	
Jan	1	Commenced business with cash	20,000
	6	Purchased goods for cash	10,000
	7	Paid for wages	6,000
	10	Sold goods for cash	8,000
	12	Purchased goods from Rahul	2,500
	15	Purchased goods by Mahe from us	4,000
	28	Rent paid	2,000

3. (a) Explain various types of cash book and give its features and advantages.

Or

- (b) Prepare a three columnar Cash Book: <http://www.telanganastudy.com>

Date	Particulars	Amount	
2018		Rs.	
March	1	Cash in hand	20,000
		Cash at bank	30,000
	8	Bought goods and paid through cheque	10,000
	10	Paid salary	2,000
	15	Paid insurance charges	3,000
	18	Paid to Govind for full settlement of Rs.650	600
	20	Drew for office use out of bank	200
	23	Harish paid directly into bank account	2,000
	25	Received for cash sales	1,000
	28	Received from Surabhi in full settlement of his account Rs. 1100	1,000

4. (a) What are the advantages in preparing a Bank Reconciliation Statement?

Or

- (b) From the following particulars, prepare a Bank Reconciliation Statement:

(i)	Balance as per Pass book	Rs. 4,500
(ii)	Interest credited by bank	Rs. 100
(iii)	Bank collected directly from customer	Rs. 500
(iv)	Cheque issued not yet encashed	Rs. 250
(v)	Cheque deposited not yet collected	Rs. 500
(vi)	Bank paid insurance premium	Rs. 200

5. (a) Explain the different stages for the rectification of errors.
Or
(b) Varsha Company purchased a second-hand machine for Rs. 18,000 on 1st April 2015 and spent Rs. 2,000 on its overhaul and installation. Depreciation was written off at 10% per annum on the original cost. On 30th June 2018, the machine was found to be unsuitable and sold for Rs. 8,000. Prepare the machine account from 2015 to 2018, assuming that the accounts are closed on 31st December every year.
6. (a) From the following Trial Balance, prepare Trading, Profit and Loss Account for the year ending 31st December 2018 and Balance Sheet as on that date:

Particulars	Debit Rs.	Credit Rs.
Factory Rent	4,000	---
Bills Receivable	5,300	---
Bills Payable	---	4,200
Insurance	1,200	---
Machinery	38,000	---
Office Rent	2,000	---
Manufacturing Wages	21,500	---
General expenses	6,900	---
Capital	---	61,000
Drawings	7,200	---
Stock on 1st January 2018	20,500	---
Purchases	68,000	---
Carriage Inwards	1,500	---
Sales	---	1,40,500
Sundry debtors	23,500	---
Sundry creditors	---	14,300
Cash in hand	500	---
Cash at bank	2,200	---
Carriage outwards	17,700	---
	2,20,000	2,20,000

Adjustments:

- (i) Write off bad debts Rs. 500.
(ii) Stock on 31st Dec. 2018 Rs. 27,000
(iii) Unexpired Insurance Rs. 300
(iv) Depreciate Machinery by 5%.

Or

[P.T.O.]

(b) From the understated Trial Balance, prepare (i) Manufacturing Account (ii) Trading, Profit and Loss Account and (iii) Balance Sheet

Trial Balance as on 31st Dec. 2018

Debit Balance	Rs.	Credit Balance	Rs.
Wages	25,000	Sales	2,75,000
Stock (Raw materials on 1.1.2018)	5,700	Capital	1,50,000
Purchases	80,750	Commission	7,884
Carriage Inwards	3,685		
Repairs	7,000		
Salaries (Factory)	3,100		
Salaries General	5,240		
Travelling expenses	4,550		
Insurance (Factory)	700		
Insurance (General)	180		
Bad debts	410		
General expenses	13,942		
Drawings	3,942		
Various Assets	2,28,685		
Stock on 1.1.18 (Finished)	50,000		
	4,32,884		4,32,884

Adjustments:

Closing Stock: Raw materials - Rs. 5,000

Finished Goods - Rs. 35,000