

B.V. Patel Institute of Business Management, Computer & Information Technology
Uka Tarsadia University
1st Internal Examination, FYBCOM 1st Semester
030100126: Financial Accounting

Marks: 50
Time: 2 hrs.

Date: 28/08/2017

Q-1 Answer the following. (Any Eight)

[16]

1. What is meaning of Accounting?
2. Explain conservatism concept of accounting.
3. Explain the branches of accounting in brief.
4. What is journal?
5. Explain in brief rules of ledger posting.
6. What are types of discount?
7. What is financial statement?
8. Define trading and profit and loss account.
9. Goods distributed by the way of sample of Rs.1000. Give the journal entry.

Q-2 Answer the following. (Any Two)

[20]

1. The following balance is obtained from the books of Mr. Patel as on 31-03-2016. Prepare final accounts for the year ended 31st March, 2016.

Capital	30,000	Building	22,500
Machinery	15,000	Furniture	1500
Motorcar	12,000	Opening stock	24,000
Purchase	1,11,000	Purchase return	1500
Sales	2,10,000	Sales return	750
Debtors	22,500	Creditors	7,200
Cash	450	Cash at bank	7,050
salary	21,000	Rent	6,000
Commission	2100	Taxes	900
Bad debts	300	Insurance premium	600
Discount earned	750	Discount allowed	1050
General expenses	1200	Bad debt reserve	450

Adjustments during year are as follows:

- Outstanding amount during the year are: salary Rs.2,000, commission Rs.300, Rent Rs.1200.
 - Insurance premium prepaid during year is Rs.150.
 - Maintained provision for bad debt @ 5%.
 - Depreciate building- 3%, machinery- 5%, motorcar-10% and furniture - 4%.
 - Closing stock as on 31-03-2016 is Rs. 30,000.
2. Following are the transactions in books of Mr. X. for the year ended 31st March, 2016. You are required to post them in their respective ledger accounts and prepare Trial Balance on the basis of ledger account.
 - Started business with capital of Rs.1,00,000.
 - Cash paid into bank of Rs.5,000.
 - Bought goods from Suresh of Rs.50,000.
 - Sold goods to Rajesh of Rs.40000.
 - Received cheque from Rajesh (discount allowed Rs.2000) of Rs.38000.
 - Paid to Suresh Rs.48000 (discount of Rs.2000)
 - Cash paid for salary of Rs.4000.
 - Paid office expenses in cash of Rs.700.

3. The following Trial Balance is extracted from the books of a merchant on 31st December, 2016. Prepare Trading account, Profit & loss account and Balance sheet.

Particulars	Debit	Credit
Furniture & fitting	640	
Motor vehicles	6,250	
Building	7,500	
Capital		12,500
Bad debts	125	
Provision for bad debts		200
Debtors & creditors	3,800	2,500
Stock on 1 st January, 2007	3,460	
Purchase & Sales	5475	15,450
Bank Overdraft		2,850
Sales & purchase return	200	125
Advertising	450	
Interest (on BOD)	118	
Commission		375
Cash	650	
Tax & Insurance	1250	
General Expenses	782	
Salary	3,300	
Total	34,000	34,000

Additional Information:-

- Stock in hand on 31st Dec, 2016 was Rs. 3,250.
- Depreciate building @ 5%, furniture & fittings @ 10% and motor vehicle @ 20%.
- Rs. 85 is due for interest on BOD.
- Salary Rs. 300 & taxes Rs. 120 are outstanding.
- Insurance amounting to Rs. 100 is prepaid.
- 1/3rd of commission received is in respect of work to be done next year.
- Write off a further sum of Rs. 100 as bad debts and provision for bad debt to be made equal to 10% of sundry debtors.

Q-3 Answer the following in detail. (Any Two)

[14]

- Journalise the following transactions for the month of April, 2016.
 - Balance on 1st April 2016 were as under:-
Cash in hand Rs. 8000, cash at bank Rs. 25,000, stock of goods Rs. 20,000, furniture Rs. 2000, debtors Rs. 2000, creditors Rs. 5000, Loan from bank Rs. 10,000.
The further transactions during the year are as follows:
 - Sold goods to Sachin for Rs. 20,000
 - Sold goods to Amit for Rs. 30,000 against current dated cheque.
 - Sachin rejected and returned 10% of goods.
 - Bought goods from Sohan for the list price of Rs. 30,000 at a trade discount of 10%.
 - Rejected and returned 10% of goods supplied by Sohan.
 - Withdraw goods for personal use of Rs. 500.
- Explain in detail difference between management accounting and financial accounting.
- Discuss in detail accounting concept.