

**B.Com. (Part—I) Examination**  
**FINANCIAL ACCOUNTING**  
**(Commerce)**

Time : Three Hours]

[Maximum Marks : 70

**Note :—**(1) Attempt **ALL** questions.

(2) All questions carry equal marks.

1. (A) Give the rules of Debit and Credit of Accounts. 3  
 (B) What are the objectives of Accounting ? 3  
 (C) Record the following transactions in Journal of Mr. Pratik :  
 2019 Jan. 5 Mr. Pratik started the business with cash Rs. 1,00,000  
 2019 Jan. 10 Purchased goods for cash Rs. 50,000  
 2019 Jan. 11 Purchased furniture from Rajesh Electronics Rs. 10,000  
 2019 Jan. 15 Sold goods on credit to Aditya Rs. 20,000. 4  
 (D) Prepare the Cash Account of M/s Nisha Stores from the following transactions :

		<b>Rs.</b>
1 Feb. 2019	Balance	50,000
2 Feb. 2019	Paid cash to Ram	10,000
8 Feb. 2019	Paid cash to Shila	5,000
15 Feb. 2019	Received cash from Meena	15,000
25 Feb. 2019	Purchased stationery	1,000
27 Feb. 2019	Paid cash for mobile	12,500

**OR**

- (E) What is journal ? 3  
 (F) Explain the “Money Measurement Concept” of Accounting. 3  
 (G) From the following transactions of Komal Stores prepare the Sales Book :  
 2018 Jan. 2 Sold Goods to Mohan Rs. 10,000  
 Jan. 10 Goods sold to Mamata Rs. 6,000  
 Jan. 15 Goods sold for cash Rs. 15,000  
 Jan. 20 Goods sold to Hari Rs. 5,000 4  
 (H) From the following balances prepare Trial Balance as on 31<sup>st</sup> March, 2018 :

	<b>Rs.</b>		<b>Rs.</b>
Capital	30,000	Rent Received	19,000
Wages	9,600	Furniture	12,000
Rent and Taxes	2,000	Investments	11,000
Printing	1,600	Cash in Hand	20,000
Sundry Expenses	19,600	Bank Interest (Cr.)	26,800

2. (A) Prepare “Trading Account” for the year ended 31<sup>st</sup> March, 2018 with the following balances :

	<b>Rs.</b>	
Opening Stock	35,000	
Purchase	1,10,000	
Sale	2,00,000	
Purchase return	3,000	
Sale return	4,000	
Carriage	7,000	
Wages	18,000	
Coal and Gas	13,750	
Salary	21,000	
Closing Stock	90,000	3

- (B) Prepare Profit and Loss Account for the year ended 31<sup>st</sup> March, 2018 :

	<b>Rs.</b>		<b>Rs.</b>
Salary	2,00,000	Commission (Cr.)	17,000
Audit Fees	7,000	Contribution to PF	1,10,000
Directors Fees	37,500	Gross Profit	4,50,000
Interest (Cr.)	25,000	Depreciation on Building	1,20,000
Rent Received	6,200	Carriage Inwards	10,000
			3

- (C) Prepare the Balance Sheet as on 31<sup>st</sup> March, 2018 with the following information :

	<b>Rs.</b>		<b>Rs.</b>
Land and Building	25,000	Furniture	5,000
Creditors	10,000	Bills Payable	7,000
Bank Overdraft	6,000	Machine	10,000
Cash in Hand	2,000	Bank Balance	3,000
Unpaid Expenses	1,000	Capital	24,000
Net Profit	2,000	Drawing	5,000
			4

- (D) Give entries to rectify the following errors :

- (i) Wages paid for installation of machinery Rs. 15,000 were debited to Wages Account.  
(ii) Rs. 35,000 paid for the purchase of Office Furniture charged to Office Expenses A/c. 4

**OR**

- (E) From the information given below prepare Manufacturing Account for the year ended 31<sup>st</sup> March, 2018 :

	<b>Rs.</b>	
<b>Opening Stock :</b>		
Raw Material	1,20,000	
Work in Progress	36,000	
Finished Goods	90,000	
<b>Closing Stock :</b>		
Raw Material	90,000	
Work in Progress	30,000	
Finished Goods	1,05,000	
<b>Other information :</b>		
Purchase of Raw Material	8,40,000	
Carriage on Raw Material Purchase	1,500	
Factory Wages	2,15,000	
Sales of Finished Goods during the year	15,30,000	3

- (F) From the information given below prepare Profit and Loss Account for the year ended 31<sup>st</sup> March, 2018 :

<b>Particulars</b>		<b>Rs.</b>
Gross Profit		94,000
Salary		19,500
Rent and Taxes		6,500
Insurance		900
Bad Debts		1,200
Trade Expenses		4,800
Profit on Sale of Investment		8,000
Interest Earned		600

**Additional information :**

- (i) Salary includes loan to employer of Rs. 1,200.  
(ii) Receivable Rent Rs. 3,000. 3
- (G) Prepare Balance Sheet as on 31<sup>st</sup> March, 2018 with the help of following information :

	<b>Rs.</b>		<b>Rs.</b>
Cash at Bank	30,000	Closing Stock	12,000
Creditors	28,000	Capital	2,00,000
Outstanding Rent	1,000	Net Loss	48,000
Debtors	54,000	Prepaid Wages	4,000
Machinery	63,000	Drawing	18,000

(H) Pass the rectifying Journal Entries for the following errors :

- (i) Goods of Rs. 3,000 were sold to Rohan, but its record was made in the Purchase Book.
- (ii) Rs. 3,500 were received from Amit but this amount was credited in the account of Sumit.

4

3. M/s Sunita Traders purchased a machinery for Rs. 2,00,000 on 1<sup>st</sup> April, 2014. Additional Machinery was purchased on 1<sup>st</sup> October, 2014 for Rs. 40,000. The firm provides depreciation @ 10% p.a. on Written Down Value Method on 31<sup>st</sup> March every year. Show Machinery Account and Depreciation Account upto 31<sup>st</sup> March, 2018.

14

**OR**

Following particulars prepare Income and Expenditure Account of Radha Club for the year ended 31<sup>st</sup> March, 2018 and Balance Sheet as on that date :

Receipts	Amount	Payments	Amount
To Balance b/d	23,500	By Salaries	12,000
To Entrance Fees	3,000	By Electric Charges	1,200
To Subscriptions :		By Other Exp.	5,250
Arrears	500	By Fixed Deposits	25,000
Current Year	35,000	By Utensils	2,000
Advance	750	By Creditors	10,000
To Refreshment	1,000	By Balance c/d	11,500
To Misc. Income	3,200		
	<b>66,950</b>		<b>66,950</b>

Follow were the Assets and Liabilities as on 1<sup>st</sup> April, 2017 :

Utensils Rs. 8,000, Furniture Rs. 25,000, Consumable Stores Rs. 3,500, Creditors Rs. 12,000.

On 31<sup>st</sup> March, 2018 Stock of Consumable Stores was Rs. 7,000, Creditors were Rs. 5,500, Outstanding Subscription Rs. 750 and Accrued Interest on Fixed Deposits was Rs. 250, Charges Depreciation on the closing balance of Furniture and Utensils 10% and 15% respectively.

14

4. (A) From the following information, prepare a Trading Account of Pragati Consumers Co-operative Society for the year ending 31<sup>st</sup> March, 2018 :

	Rs.		Rs.
Stock of Goods		Inward Return	5,000
(1 <sup>st</sup> April, 2017)	2,00,000	Wages	15,000
Stock of Goods		Carriage inward	12,000
(31 <sup>st</sup> March, 2018)	1,00,000	Excise Duty	5,000
Purchase of Goods	3,00,000	Audit Fees	2,000
Sale of Goods	7,50,000		

3

- (B) Prepare the 'Balance Sheet' of the Samata Co-operative Society as on 31<sup>st</sup> March, 2018 with the help of the following information :

	<b>Rs.</b>		<b>Rs.</b>
Share Capital	8,00,000	Statutory Reserves	15,000
Creditors	80,000	Employees Provident Fund	1,50,000
Debtors	2,00,000	Bills Payable	80,000
Building	6,80,000	Closing Stock	1,80,000
Prepaid Insurance	10,000	Net Profit of Current Year	45,000
Unpaid Salary	10,000	Bank Overdraft	40,000
Provident Funds Investment	1,50,000		3

- (C) Prepare P & L Appropriation Account of Vidarbha Co-operative Society Ltd. for the year ended 31<sup>st</sup> March, 2018 :

Last Year Profit	35,060	
Current Year Profit	1,69,500	
Transfer to Dividend Equalization Fund	25,230	
Transfer to Building Fund	13,490	
Transfer to Statutory Reserve (25% of net profit)		
Provision for Dividend @ 10% on Share Capital of Rs. 5,00,000.		4

- (D) What are the objectives of Firm Accounting ? 4

**OR**

- (E) Prepare Manufacturing Account of a Co-op. Society :

	<b>Rs.</b>		<b>Rs.</b>
<b>Opening Balance :</b>		Purchase of Raw Materials	50,000
Raw Materials	18,000	Wages	6,000
Finished Goods	8,000	Sales	78,000
<b>Closing Balance :</b>		Purchase Return	1,600
Raw Materials	12,000	Sales Return	800
Finished Goods	20,000		3

- (F) Prepare a 'Profit & Loss Account' of the Pragati Co-op. Society Motala :

	<b>Rs.</b>		<b>Rs.</b>
Salary	2,00,000	Commission (Cr.)	17,000
Audit Fee	7,000	Contribution to P.F.	1,10,000
Directors' Allowance	37,500	Gross Profit	4,50,000
Interest (Cr.)	25,000	Depreciation on Building	1,20,000
Share Transfer Fees	6,200		3

- (G) From the information given below, prepare a Cattle's Account to ascertain the profit made by Cattle's Division :

	<b>Value in Rs.</b>
Opening Balance of Live Stock	90,000
Closing Balance of Live Stock	1,10,000
Purchases of Cattle during the year	2,05,000
Sale of Cattle during the year	2,12,000
Sale of Slaughtered Cattle	12,000
Sale of Carcasses	1,000
Cattle Food	18,000
Wages of Rearing	4,500
Slaughter House Expenses	500

Crop worth Rs. 5,000 grown in the farm was used for feeding the cattle; out of the calves born 2 died and their carcasses realised Rs. 100. 4

- (H) Mention the special features of Farm Accounting. 4

5. From the following figures prepare a Statement of Affairs and Deficiency Account as on 31<sup>st</sup> December, 2017. Assume that the stock realizes two thirds (2/3) of its value, the fixtures one half (1/2) the share at par and the doubtful debts one third (1/3).

On 1<sup>st</sup> January, 2009 the debtors commenced business with a Capital of Rs. 31,750. His profit for the first two years amounted to Rs. 20,270 and his drawings were Rs. 15,000 per year.

	<b>Rs.</b>	
Cash	1,150	
Stock in Trade	5,100	
Debtors (Good)	34,900	
Debtors (Doubtful)	9,000	
Debtors (Bad)	7,500	
Fixtures and Fittings	2,820	
Shares	2,500	
Creditors Unsecured (included Rs. 9,500 from wife)	69,500	
Creditors Secured	12,500	
Value of Securities had by Creditors	17,500	
Preferential claims for Rate and Taxes	950	14

**OR**

A merchant became insolvent on 1<sup>st</sup> January, 2018 on which date his total Assets were Rs. 75,000 and Liabilities Rs. 65,000 and the estimated deficiency of Rs. 20,000 before taking the following items into consideration which were not passed through his account books :

- (i) Interest on his Capital of Rs. 25,000 at 6% for one year.
- (ii) A Contingent Liability for Rs. 3,000 on bill discounted by him for Rs. 8,000.
- (iii) Amount due as Wages Rs. 300, Salaries Rs. 600, as Rent Rs. 500, as Rate and Taxes Rs. 1,000.
- (iv) A loan of Rs. 5,000 taken from a friend for the marriage of his daughter and Rs. 2,000 from his wife.

Showing detailed working notes, prepare Statement of Affairs and Deficiency Account of the Merchant.

14

139

139

139