 Reg.No.\_\_\_\_\_\_\_\_\_\_\_\_

**End Semester Examination – Nov / Dec – 2019**

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| **Code :** | **18PA2001** | **Duration :** | **3hrs** |
| **Sub. Name :** | **FINANCIAL ACCOUNTING – 1** | **Max. Marks :** | **100** |

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| **Qn. No.** | | **Questions** | **Course**  **Outcome** | | **Marks** |
| **PART – A (5 X 2 = 10)** | | | | | |
| 1. | | Explain the need for regulatory framework for presenting accounting informations. | CO2 | | 2 |
| 2. | | State the golden rules of accounting. | CO2 | | 2 |
| 3. | | Discuss the qualitative characteristics of financial information. | CO2 | | 2 |
| 4 | | Differentiate between cash discount from trade discount. | CO4 | | 2 |
| 5. | | Define capital structure. | CO2 | | 5 |
| **PART - B (3 X 10 = 30)**  **(either or type)** | | | | | |
| 6. | | The following Trial Balance has been drafted by a book keeper for the preparation of final accounts of a Noman Ltd as on December, 2016.  Re-draft it correctly.  http://www.accountancyknowledge.com/wp-content/uploads/2017/04/Problem-101.1-Rectification-of-Errors-1024x605.png | CO3 | | 10 |
| **(OR)** | | | | | |
| 7. | | Discuss the duties of “persons charged with governance”. | CO2 | | 10 |
|  | |  |  | |  |
| 8. | | Enter the following transaction in the petty cash. The cashier was given Rs. 100 under imprest system on Aug 4, 2019.  Aug 6 Paid for printing work   Rs. 5  Aug 8 Paid for stationary purchased    Rs.8  Aug 10 Paid for postage stamps   Rs. 6  Aug 12 paid for office furniture    Rs.11  Aug 14 Paid for travelling charges    Rs.7  Aug 15 Paid for general expenses    Rs.4  Aug 17 Manager taxi fare    Rs.12 | CO3 | | 10 |
| **(OR)** | | | | | |
| 9. | | On 1st July, 2014 a company purchased a machine for Rs 3,90,000 and spent Rs 10,000 on its installation. It decides to provide depreciation @ 15% per annum, using written down value method. On 30th November, 2017 the machine was dismantled at a cost of Rs 5,000 and then sold for Rs 1,00,000.  On 1st December, 2017 the company acquired and put into operation a new machine at a total cost of Rs 7,60,000. Depreciation was provided on the new machine on the same basis as had been used in the case of the earlier machine. The company closes its books of account every year on 31st March.  Prepare Machinery Account and Depreciation Account for four accounting years ended 31st March. 2018 | CO3 | | 10 |
|  | |  |  | |  |
| 10. | | From the following particulars of Anil & Co. prepare a bank reconciliation statement as on August 31, 2015.  1. Balance as per the cash book Rs. 54,000.  2. Rs. 100 - Bank incidental charges debited to Anil & Co. account, which is not recorded in cash book.  3. Cheques for Rs. 5,400 is deposited in the bank but not yet collected by the bank.  4. A cheque for Rs. 20,000 is issued by Anil & Co. not presented for payment. | CO3 | | 10 |
| **(OR)** | | | | | |
| 11. | | Explain the components of finance cost. | CO2 | | 10 |
| **PART – C (3 X 20 = 60)**  **(Answer any three out of five)** | | | | | |
|  | | | | | |
| 12. | Compare Indian Accounting Standards with US GAAP. | | | CO4 | 20 |
|  |  | | |  |  |
| 13. | Cruz began professional practice as a system analyst on July 1. He plans to prepare a monthly financial statement. During July, the owner completed these transactions.  July 1. Owner invested Rs. 500,000 cash along with computer equipment worth Rs. 100,000 . July 2. Paid Rs. 15,000 cash for the rent of office space for the month. July 4. Purchased Rs.12,000 of additional equipment on credit.  July 8. Completed a work for a client and immediately collected the Rs. 32,000 cash. July 10. Completed work for a client and sent a bill for Rs.27,000  July 12. Purchased an additional equipment for Rs. 8,000 in cash. July 15. Paid an assistant Rs. 6,200 cash as wages. July 18. Collected Rs. 15,000 on the amount owed by the client. July 25. Paid Rs. 12,000 cash to settle the liability on the equipment purchased. July 28. Owner withdrew Rs. 500 cash for personal use. July 30. Completed work for another client who paid Rs. 40,000. July 31. Paid salary of assistant Rs. 700. July 31. Received telephone bill, Rs. 1,800 and electricity bill Rs.3,800.  Prepare the journal entries. | | | CO3 | 20 |
| 14. | The John trading company has undertaken the following transactions during the month of May 2019. **May 01:** Cash balance Rs.2,200, bank overdraft Rs.365. **May 03:** Paid J & Co. by check Rs.1,200, discount received from him Rs.15. **May 05:** Received from A & Co. a check for Rs.980, discount allowed to them Rs.20. **May 07:** Deposited into bank the check received from A & Co. on May 05. **May 10:** Purchased stationary for cash, Rs.150. **May 15:** Purchased merchandise for cash, Rs.1,300. **May 15:** Cash sales for the first half of the month, 2,350. **May 16:** Deposited into bank Rs.1,600. **May 18:** Cash withdrawn from bank for personal expenses Rs.150. **May 19:** Issued a check for merchandise purchased, Rs.1,650. **May 21:** Drew from bank for office use, Rs.650. **May 24:** Received a check from S & Sons and deposited the same into bank, Rs.1,560. **May 25:** Paid a check to Ali Inc. for Rs.400 and received a discount of Rs.15. **May 27:** Bought furniture for cash for office use, Rs.390. **May 29:** Paid office rent by check, Rs.450. **May 30:** Cash sales for the second half of the month Rs.4,300. **May 31:** Paid salaries by check Rs.1,760. **May 31:** Withdrew from bank for office use Rs.1,470.  Record the above transactions in a three/triple column cash book. | | | CO3 | 20 |
| 15. | Rectify the following errors which are located in the books of Mr. Ahmed at the end March, 2017:  **(i)**Sale of old furniture for Rs. 2,000 treated as sale of goods.  **(ii)**Rs. 12,000 paid as salary to cashier Mr. Naeem, stands debited to his personal account.  **(iii)**An amount of Rs. 5,000 withdrawn by the proprietor for his personal use has been debited to trade expenses a/c.  **(iv)**Cash received from Mr. Bilal Rs. 300 was credited to Mr. Baber.  **(v)**Repairs made were debited to building account Rs. 100.  **(vi)**Rs. 1,000 received as interest was credited to commission account.  **(vii)**Rs. 5,200 paid for the purchase of typewriter was charged to office expenses account. | | | CO3 | 20 |
| 16. | From the following trial balance and additional information, prepare a trading and profit and loss account for the year ended 31 March 2017 and a balance sheet as on the same date. Trial balance as on 31 March 2017:   |  |  |  | | --- | --- | --- | |  | **Dr (Rs)** | **Cr (Rs)** | | Tax payable |  | 90,000 | | Net sales |  | 930,000 | | Net purchases | 320,000 |  | | Stock | 30,000 |  | | Salaries & wages | 180,000 |  | | Rent & rates | 140,000 |  | | Water & electricity | 21,000 |  | | Trade creditors |  | 119,600 | | Trade debtors | 321,000 |  | | Insurance | 51,000 |  | | Cash in hand | 20,000 |  | | Cash at bank | 134,000 |  | | Plant & machinery | 420,000 |  | | Furniture & fittings | 97,600 |  | | Capital |  | 700,000 | | Drawings | 15,000 |  | | Fixed deposits with bank | 300,000 |  | | Bank loan |  | 170,000 | | Provision for depreciation – plant & machinery |  | 30,000 | | Provision for depreciation – furniture & fittings |  | 10,000 | |  | 2,049,600 | 2,049,600 | |  |  |  |   Additional information:   1. Closing stock amounted to Rs.70,000. 2. Provision for depreciation is to be made for the current year:    * Plant & machinery @ 10% on book value.    * Furniture & fittings @ 8% on book value 3. Provide for doubtful debts: 4% of total debtors.   Prepare a trading and profit and loss account for the year ended 31 March 2017 and a balance sheet as on that date. | | | CO3 | 20 |