

Roll No



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW  
MID TERM EXAMINATION - APR 2023**

**Semester :** Semester IV - 2022 -23 - BBL - 2021

**Course Code :** SOC4002

**Course Name :** Sem IV - SOC4002 - Advanced Financial Accounting

**Program :** BBA LLB Honors

**Date :** 12-APR-2023

**Time :** 2:00PM - 3:30PM

**Max Marks :** 50

**Weightage :** 25%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

**ANSWER ALL THE QUESTIONS**

**(5 X 10 = 50M)**

- 1.** From the following information supplied by Ms. Sudha, calculate the amount of 'Net Sales'

Debtors on April 01, 2016	65,000
Debtors on March 31, 2017	50,000
Opening balance of bills receivable as on April 01, 2016	23,000
Closing balance of bills receivable as on March 31, 2017	29,000
Cash received from debtors	3,02,000
Discount allowed	8,000
Cash received against bills receivable	21,000
Bad debts	14,000
Bill receivables (dishonoured)	20,000
Cash sales	2,25,000
Sales return	17,000

(CO1) [Comprehension]

- 2.** From the following particulars, calculate Closing balances of Debtors and Creditors.

Particulars	Amount
Sundry Debtors as on 01.04.2001	28,680
Sundry Creditors as on 01.04.2001	41,810
Credit Purchases	1,51,400
Credit Sales	1,65,900
Discount Received	5,200
Discount Allowed	4,800
Return Outwards	7,440
Return Inwards	6,444
Cash received from Debtors	1,50,536
Cash paid to Creditors	1,43,765

(CO1) [Comprehension]

3. Mr. Om Prakash did not keep his books of accounts under double entry system. From the following information available from his records, prepare profit and loss account for the year ending on March 31, 2017 and a balance sheet as at that date, depreciating the washing equipment @ 10%.

**Summary of Cash Book**

Receipts	Amount	Payments	Amount
	8,000	Cash purchases	14,000
Balance b/d	40,000	Paid to creditors	20,000
Cash sales	30,000	Sundry expenses	6,000
Received from debtors		Cartage	2,000
		Drawings	8,000
		Drawings	28,000
	<b>78,000</b>		<b>78,000</b>

Other Information :

**March 31, 2017**

	March 31, 2016	March 31, 2017
Debtors	9,000	12,000
Creditors	14,400	6,800
Stock of materials	10,000	16,000
Washing equipment	40,000	40,000
Furniture	3,000	3,000
Discount allowed during the year		1,400
Discount received during the year		1,700

(CO1) [Comprehension]

4. Mr. Kumaran seeks your help in preparing a statement of insurance claim for the stocks destroyed in fire in his premises on 12th July 2016. He reports that a large part of stock was destroyed, except stock worth Rs. 14,000. The following information is available for the period 1st January 2016 to 12th July 2016.

- Sales for the period Rs. 90,000
- Purchases for the period Rs. 85,000
- Stock on hand 31st December 2015 Rs. 40,000 at cost
- Goods worth Rs. 5,000 were taken by Mr. Kumaran for personal use.
- The rate of Gross Profit for the previous year was  $33\frac{1}{3}$  % on sales.
- The Stock was insured for Rs. 40,000 with average clause policy.

Calculate the amount of claim to be lodged with the insurance company .

(CO2) [Comprehension]

5. Balaji traders have taken a fire policy of Rs. 4,80,000 covering its stock in Trade. A fire occurs on 30.12.2015 and stock was destroyed with the exception of the value of Rs. 1,24,080. Following Particulars are available from the books of accounts of the firm:

Stock on 31.12.2014 Rs. 1,80,000  
Purchases to the date of fire Rs. 7,80,000  
Sales to the date of fire Rs. 5,40,000  
Carriage Inwards Rs. 24,000  
Commission paid on Purchases 2%  
Rate of gross profit on cost 50%

The Policy was subject to average clause. You are required to calculate :

- Total Loss of stock.
- Amount of claim to be lodged with the insurance company.
- Loss suffered due to under insurance.

(CO2) [Application]