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**Presidency University**

**Bengaluru**

 **SCHOOL OF COMMERCE**

**Make-Up Examinations July 2024**

**Semester**: I

**Course Code**: SOC2001

**Course Name**: Financial Accounting

**Program** : BBA

**Date**: 01 JULY 2024

**Time**: 9.30am to 12.30pm

**Max Marks**: 100

**Weightage**: 50%

 **Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *The question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE Questions. (5 Q x 2 M = 10 M)**

1. Define Income Statement. (C.O.No.3) [Remember level]

2. Highlight any two Characteristics of a Financial Statement.  (C.O.No.5) [Remember level]

3. List the external users of accounting information. (C.O.No.1) [Remember level]

4. Define Accounting Cycle.  (C.O.No.2) [Remember level]

5. Discuss the Golden Rules of Accounting. (C.O.No.1) [Remember level]

6. List any two objectives of financial accounting. (C.O.No.2) [Remember level]

7. Define Going concern concept. (C.O.No.1) [Remember level]

**Part B**

**Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

8. Ms. Kavitha is into retail business and has a misconception that Book-keeping and accounting process are the same. Explain the difference between book-keeping and accounting and clarify Ms Kavitha. (C.O.No.1) [Understand level]

9. Prepare Gopal’s single column cash book for the month of April 2015, from the following.

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Amount in Rs** |
| 1 | Cash in hand  | 17000 |
| 2 | Cash sales  | 16,000 |
| 3 | Paid by cheque to creditors | 6,000 |
| 4 | Wages paid in cash  | 4,000 |
| 4 | Cash sales  | 18,000 |
| 9 | Paid cash to Ramesh  | 420 |
| 11 | Paid salaries by cash  | 5,850 |
| 14 | Cash received from Sameena  | 6,000 |
| 17 | Paid cash for repair expenses | 560 |
| 21 | Paid office expense  | 580 |
| 25 | Paid rent and taxes  | 7,600 |

 (C.O.No.3) [Apply level]

10. Explain the following accounting principles, providing a clear understanding of their significance in financial reporting and decision-making:

1. Conservatism Principle
2. Separate Legal Entity
3. Matching Principle
4. Full Disclosure Principle
5. Historical Cost Principle

 (C.O.No.1) [Understand level]

11. From the following information of Arun Enterprises, you are required to prepare the statement of profit and loss for the year ended 31st March 2023.

Cash Sales – 4,00,000; Credit Sales – 2,50,000 Sales Return – 50,000; Sale of Miscellaneous Items – 20,000 ; Tax Refund – 8,000 ; Interest on Deposits – 25,000 ; Profit on sale of Assets – 35,000 ; Daily Wages – 50,000 ; Travelling Allowances – 10,000 ; Salaries – 90,000 ; Contribution to PF – 11,000 ; Interest on debentures – 5,000 ; Interest paid on Loan – 25,000 ; Loan Processing Charges – 10, 000 ; Tax @ 50%. (C.O.No.5) [Apply level]

12. A fire occurred on 15th September 2015 in the godown of M/s Aravind. From the following figures, Ascertain the Claim to be lodged.

Stock as on 1st April 2015 Rs.1,00,000

Purchases (01.04. 2015 to 15.09.2015) Rs. 3,00,000

Manufacturing Expenses Rs.2,00,000

Sales (01.04.2015 to 15.09.2015) Rs. 7,00,000

Rate of Gross Profit 25% on Sales

Stock Salvaged Rs.16,000 (C.O.No.4) [Apply level]

13. From the following, Prepare three column cashbook in the books of Mr. Abhishek.

|  |  |
| --- | --- |
| DATE | PARTICULARS |
| January 1 | Opening cash balance was 3,800 and bank balance was 27,500 |
| January 4 | Wages paid in cash 1,500 |
| January 5 | Received cheque of 19,800 from KBK enterprises after allowing discount of 200 |
| January 7 | Paid consultancy charges by cheque for 7,500 |
| January 10 | Cash of 2,500 withdrawn from bank |
| January 12 | Received a cheque for 4,500 in full settlement of the account of Mr. X at a discount of 10% and deposited the same into the Bank. |
| January 15 | X’s cheque returned dishonored by the Bank  |

 (C.O.No.3) [Apply level]

14. Mr. Bharath purchased a machine on hire purchase system from Bharath Motors on 01.04.2020.the cash price of the machine was Rs.74,500 and the payment was to be made as follows:On signing the agreement Rs. 20,000 and the balance in 3 Installments of Rs.20,000 each at the end of each year. 5% Interest is charged by the vendor. Mr. Bharath has decided to write off 10% depreciation annually on the diminishing balance method. Pass the ledger accounts in the books of Mr. Bharath under Assets Accrual Method. (C.O.No.5) [Apply level]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

15. Enter the following transactions in the journal and ledger of Murali of New Delhi for the month of March 2019.

|  |
| --- |
| Mar. 1st Murali commenced business with cash 90,000 |
| 4th Purchased goods for cash 6,000 |
| 5th Deposited into bank 40,000 |
| 6th Withdrew from bank for office use 4,500 |
| 8th Sold goods to Raja 4,800 |
| 12th Purchased goods on credit from Kathar 1,380 |
| 15th Received from Raj Rs.4,650 and allowed him discount 150 |
| 20th Cash sales 7,200 |
| 28th Paid to Kathar in full settlement 1,300 |
| 30 Paid rent 300 and Paid salary 1,600 |

 (C.O.No.3) [Apply level]

16. On 1st January 2024, XYZ Industries bought a machine from Premiere Ltd. on hire purchase system. The cash price of the machine was ₹37,250 and the payment was to be made as follows: ₹10,000 on signing the agreement and the balance in yearly instalment of ₹10,000 each on 31st December every year for 3 years. Premiere Ltd. charges interest at 5% p.a. and XYZ Industries writes off depreciation @10% per year on a reducing balance system. Pass the necessary journal entries and open the necessary accounts in the books of XYZ Industries under Asset Accrual Method. (C.O.No.5) [Apply level]

17. From the following transactions of Monginis Home Appliances for July 2021, Prepare Purchases Book.

|  |
| --- |
| July 5: Purchased on credit from Kanan & Co.50 iron boxes @ Rs. 500 each10 grinders @ Rs. 3000 each |
| July 6: Purchased for cash from Shiva & Bros.25 fans @ Rs.1250 each |
| July 10: Purchased from Balan & Co. on credit20 grinders @ Rs. 2500 each10 mixes @ Rs. 3000 eachTrade Discount 10%Delivery Charges Rs. 1000 |
| July 20: Purchased on credit, one copier machine from Kumar for Rs. 35,000.  |
| July 22: Purchased furniture for personal use for Rs. 10,000 |
| July 25: Purchased air conditioners on credit from Mr. X for Rs.15,000 |

 (C.O.No.3) [Apply level]