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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Make-Up Examinations July 2024**

**Winter Semester**: I

**Course Code**: SOC2001

**Course Name**: Financial Accounting

**Program & Sem**: BCOM

**Date**: 05 JULY 2024

**Time**: 9.30 am 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. Book-keeping and accounting are terms often used interchangeably. Define Book-keeping. (C.O.No.1) [Remember level]

2. Name a few assets which do not undergo depreciation. (C.O.No.1) [Remember level]

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

4. Name the expenses related to the trading account. (C.O.No.1) [Remember level]

5. Describe Sundry creditors. (C.O.No.1) [Remember level]

6. Recall the purpose of ‘Journal Proper’. (C.O.No.2) [Remember level]

7. Define Separate Legal Entity concept. (C.O.No.1) [Remember level]

**Part B**

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

8. Mr. Ram 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 Ram. (C.O.No.1) [Understand level]

9. Write up Khan’s single column cash book for the month of April 2015, from the following.

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Amount in Rs** |
| 1 | Cash in hand | 1,650 |
| 2 | Cash sales | 16,000 |
| 3 | Paid via cheque to creditors | 4,000 |
| 4 | Wages paid in cash | 2,250 |
| 4 | Cash sales | 18,000 |
| 9 | Paid cash to Suresh | 420 |
| 11 | Paid salaries by cash | 2,850 |
| 14 | Cash received from Mallika | 3,000 |
| 17 | Paid cash for repair expenses | 360 |
| 19 | Cash Sales | 11,400 |
| 21 | Paid office expense | 180 |
| 25 | Paid rent and taxes | 3,600 |

(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. Accrual Basis Accounting
2. Going Concern Principle
3. Matching Principle
4. Full Disclosure Principle
5. Historical Cost Principle

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

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

Revenue from operations – 15,50,000; Rent Received – 50,000; Discount received – 75,000; Commission Received – 75,000; Wages – 50,000; Salary – 1,50,000; Bonus – 50,000; Staff Welfare Expenses – 1,00,000; Depreciation on Buildings – 35,000; Depreciation on Machinery – 32,500; Depreciation on Plant – 32,500; Opening stock of Materials – 3,00,000; Materials Purchased – 7,50,000; Closing stock of Materials – 2,20,000; Tax @ 30%.

(C.O.No.5) [Apply level]

12. From the following details, Compute the Profit/Loss made by the Trichy branch. Opening Stock at Branch Rs. 45,000 Goods Sent to the Branch Rs.1,35,000 Sales at the Branch Rs.1,80,000 Cash Sent to Branch for: Salaries Rs.15,000 Other Expenses Rs.6,000 The Branch Manager is entitled for a commission of 5% before charging such commission. It is known that branch usually sells at cost plus 20%. (C.O.No.4) [Apply level]

13. Prepare three column cash books in the books of Mr. Thiru for the month of March 2017.

|  |
| --- |
| 1st Cash in hand 12,000 |
| 1st Cash at bank 15,000 |
| 2nd Cash paid into bank 11,000 |
| 5th Goods sold Rs. 18,500. Half of it is received in cash and half of it is received by cheque which is immediately deposited in the bank. |
| 6th Sold on credit to Jayaraj for 7,000 |
| 8th Jayaraj sent a cheque in full settlement 6,900 |
| 12th Jayaraj’s cheque was sent to bank |
| 14th Bought goods from Iqbal and issued a cheque to him immediately 8,500 |
| 15th Bought goods from Murali on credit 4,000 |
| 19th Received a cheque from Kannappan in full settlement of his account of Rs. 2,000 - 1,975 |
| 20th Drew cash Rs. 3,000 and by cheque Rs. 5,000 for personal use |

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

14. On 1st January 2017, ABC Industries bought a machine from HMT 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. HMT Ltd. charges interest at 5% p.a. and ABC 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 ABC Industries under Asset Accrual Method. (C.O.No.5) [Apply level]

**Part C**

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

15. From the following transactions, Pass Journal entries, Prepare Ledger account for the month March 2020.

|  |  |
| --- | --- |
| **DATE** | **PARTICULARS** |
| 1st | Ravi started business with 8,000 |
| 2nd | Purchased furniture for cash 1,000 |
| 3rd | Purchases goods for cash 6,000 |
| 4th | Sold goods for cash 7,000 |
| 5th | Purchased goods from Sham 4,000 |
| 6th | Sold goods to Rahul 5,000 |
| 7th | Paid cash to Varsha 2,500 |
| 8th | Received cash from Mahesh 3,000 |
| 9th | Paid Rent 200 |
| 10th | Received commission 100 |

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

16. On 1st January 2017, ABC Industries bought a machine from HMT 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. HMT Ltd. charges interest at 5% p.a. and ABC 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 ABC Industries under Asset Accrual Method. (C.O.No.5) [Apply level]

17. From the transactions given below, prepare the sales book of Kumar Stationery for July 2017.

|  |
| --- |
| July 5: Sold on credit to Saravana Traders of Sayalkudi  10 packs of A4 sheets @ Rs. 250 per pack  10 dozen writing pads @ Rs. 850 per dozen  Less: 10% trade discount for both |
| July 8: Sold to Raja for cash  15 packs of A4 sheets @ Rs. 250 per pack |
| July 20: Sold to Mohan & Co. of Mudukulathur  5 white boards @ Rs. 2,200 each  10 dozen writing pads @ Rs. 850 per dozen |
| July 23: Sold on credit to Narayanan old motor car for Rs. 5,000 |
| July 28: Sold to Kumaran for cash 15 packets of marker pens @ Rs. 250 per packet |
| July 29: Sold to Mr. X, furniture lying in the office for Rs.10,000. |
| July 30: Sold to Mr.Y, Electric bulbs for Rs. 1,000 |

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