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**Presidency University**

**Bengaluru**

**SCHOOL OF LAW**

**Make-Up Examinations, July 2024**

**Semester**: I

**Course Code**: BCL3101

**Course Name**: Financial Accounting

**Program:** BCOM LLB

**Date**: 4TH July 2024

**Time**: 9:30 AM-12:30 PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *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 FOUR Questions. (4 Q x 5 Marks = 20 Marks)**

1. Explain the need for accounting in business. (CO1) [Knowledge ]

2. Describe the classification of expenses in accounting. (CO2) [Knowledge ]

3. Differentiate between Stright Line Method and Diminishing Balance method. (CO3)[Remember]

4. Explain the procedure for the appointment of the first auditor of a company. (CO4) [Application]

5. On April 01, 2010, Bajrang Marbles purchased a Machine for ₹ 1, 80,000

and spent ₹ 10,000 on its carriage and ₹ 10,000 on its installation. It is estimated

that its working life is 10 years. Calculate depreciation under original cost method

/ Straight Line Method. (CO3) [Application]

6. Discuss the concept of removal of an auditor. (CO5) [ Knowledge]

**Part B**

**Answer any Four Questions. (4 Q x 10 M = 40 M)**

7. Explain the various branches of accounting (CO1) [Knowledge]

8. Differentiate between bookkeeping and accounting. (CO ) [Understand]

9. Revenue, Expenses and Gross Profit Balances of M/s ABC Traders for the year ended on 31st

March 2024 were as follows:

Gross Profit 4,20,000, Salaries 1,10,000, Discount (Cr.)18,000, Discount (Dr.) 19,000,

Bad Debts 17,000, Depreciation 65,000, Legal Charges 25,000, Consultancy Fees 32,000,

Audit Fees 1,000, Electricity Charges 17,000, Telephone, Postage and Telegrams 12,000,

Stationery 27,000, Interest paid on Loans 70,000.

Prepare Profit and Loss Account of M/s ABC Traders for the year ended on 31st March, 2024.

(CO 2) [Application]

10. (a) Distinguish between provision and reserve.

(b) Explain the various methods of Depreciation. (CO3) [Application]

11. Analyze the ceiling on the number of audits an auditor can undertake. What are the reasons

for imposing such a limit? (CO4) [Application]

12. Discuss the detailed qualifications necessary for an auditor to be appointed under the

Companies Act. (CO5) [Knowledge]

**Part C**

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

13. (a) What is a Balance sheet? What is the purpose of preparing a Balance sheet?

(b) Given below Trial Balance of Gardasu Bros. as on 31st March, 2024:

|  |  |  |
| --- | --- | --- |
| Particulars | Debit Balances  ` | Credit Balances  ` |
| Capital A/c |  | 7,00,000 |
| Land and Building | 3,00,000 |  |
| 14% Term Loan |  | 4,00,000 |
| Loan from M/s. D & Co. |  | 4,60,000 |
| Trade receivables | 4,20,000 |  |
| Cash in hand | 20,000 |  |
| Inventories in Trade | 6,00,000 |  |
| Furniture | 2,00,000 |  |
| Trade payables |  | 40,000 |
| Advances to Suppliers | 1,00,000 |  |
| Net Profit |  | 1,00,000 |
| Drawings | 60,000 |  |
|  | 17,00,000 | 17,00,000 |

Prepare Balance Sheet as on 31st March, 2024.

(CO2) [Application]

14. State the meaning of rectification errors. Explain the various types of errors with suitable

Examples.

(CO2) [Comprehension]

15. Identify the following items under Capital Expenditure or revenue expenditure.

(a) Warehouses expenses

(b) Rent Paid

( c) Salaries and Wages

(d) Land acquisition

( e) Purchase of Machinery

(f) Investing in new computer systems

(g) Travelling Expenses

(i) Insurance Premium

(J) Vehicle Acquisition

(K) Acquiring patents (CO2) [Application]