



Shiksha Mandal, Wardha's

G. S. College of Commerce & Economics, Nagpur

An Autonomous Institution

(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)

First Semester Bachelor of Commerce (Computer Application) Examination
(CBCS)**FINANCIAL ACCOUNTING –I**

(BCCAC 1.1)

Time: 3 Hours

Maximum Marks: 80

Note: All Questions are compulsory.

Q.1 A) Pass Journal Entries for the following:

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1. Received ₹ 12,000/- from Ashok, which were written off as bad-debts in the previous year.
2. Salaries due to clerk's ₹ 7,000/-.
3. Out of the rent paid this year, ₹ 500/- is related to the next year.
4. Provide 10% depreciation on furniture costing ₹ 10,000/-.
5. Provide 10% interest on capital amounting to ₹ 2,00,000/-.
6. Purchased a machinery for cash ₹ 25,000/- and paid ₹ 2,500/- in cash as wages on its installation.
7. Bal Kishan who owed us ₹ 40,000/- is declared insolvent and 60 paise in a rupee is received as final dividend from his estate.
8. Supplied goods costing ₹ 6,000/- to Rajesh, issued invoice at 10% above cost less 5% trade discount.
9. Goods worth ₹ 3,000/- and cash ₹ 2,000/- were stolen by an employee.
10. Goods sold for cash to a customer for ₹ 50,000/- and collected 8% sales tax on it.

OR

B) Record the following transactions of March 2019 in the journal and ledger of Harish collection:

2019: March 1, Harish commenced business with cash ₹ 15,000/-; March 3, Purchased goods for cash ₹ 750/-; March 4, deposited in Bank ₹ 10,500/-; March 5, withdrew from bank for office use ₹ 750/-; March 6, sold goods to Ram ₹ 750/-; March 10, purchased goods from Kishan on credit ₹ 340/-; March 19, received from Ram ₹ 735/- and allowed him discount ₹ 15/-; March 20, cash sales ₹ 1,200/-; March 27, paid to Kishan in full settlement ₹ 325/-; March 28, paid rent ₹ 75/-; March 28, paid salary ₹ 150/-. Accounts are closed on 31st March, 2019.

Q.2 A) The Trial balance of Raju and Co. does not tally on 31st March, 2019. He found the following errors by examining his accounting record:

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- (i) A credit item of ₹ 190/- has been debited in X's account.
- (ii) An item of ₹ 1,650/- which was related with the increase of machinery has been debited to repairs account.

- (iii) Total of Returns Inward Book was undercast by ₹ 100/-.
- (iv) Depreciation of machinery amounted to ₹ 160/- which was not recorded in Depreciation Account.
- (v) Credit sale of ₹ 150/- has been wrongly recorded in sales returns book and has been posted in the debit side of customers account.
- (vi) A purchase of ₹ 500/- from Suresh Miller & Co. has been wrongly credited to Suresh Waller & Co.
- (vii) While posting from Purchase Book an amount of ₹ 735/- has been wrongly posted as ₹ 753/- in the account of supplier.
- (viii) For the month of March, total of sales Book was undercast by ₹ 1,000/-.
- (ix) A credit purchase of ₹ 160/- from X, has been wrongly recorded in Purchase Returns Book.

Assuming that no suspense account has been made, pass the necessary rectifying entries for the above.

OR

B) Prepare Bank Reconciliation Statement of Dinesh of Gwalior as on 30th June, 2018 from the information given below:

- (i) Debit balance of pass book on 30.6.2018 ₹ 15,000/-.
- (ii) Cheques deposited in the bank but not recorded in the cash book ₹ 200/-.
- (iii) Cheques of ₹ 17,000/- were issued but out of them cheques for ₹ 10,000/- have been presented for payment till 30.6.2018.
- (iv) Cheques of ₹ 2,000/- were received and recorded in cash book but they were not sent to Bank.
- (v) Cheques of ₹ 10,000/- were sent to bank for collection, out of them cheques worth ₹ 2,000/- were credited on 8th July, 2018, cheques worth ₹ 1,000/- were credited on 10th July, 2018 and the remaining were credited prior to 30th June, 2018.
- (vi) Fees to Chamber of Commerce ₹ 300/- was paid by Bank on behalf of Dinesh but no record thereof appeared in Cash Book.
- (vii) The Bank has charged ₹ 800/- for interest on overdraft but there was no entry for it in the Cash Book.
- (viii) Bank charges of ₹ 40/- have been twice recorded in the Cash Book, while bank charged of ₹ 35/- were not recorded at all.
- (ix) Bank column on the credit side of the cash book has been undercast by ₹ 1,000/- by mistake.

Q.3 A) Subhash and Sudhir of Kanpur entered into joint venture to divide profits in the ratio of 3/5 and 2/5 respectively by doing business under joint venture. They opened a joint account in a bank with ₹ 40,000/- for joint venture. In this account, Subhash deposited ₹ 24,000/- and Sudhir deposited ₹ 16,000/-. They gave ₹ 30,000/- to their agent Ramesh for purchasing coal. They paid ₹ 1,000/- for freight, ₹ 500/- for insurance and ₹ 500/- for miscellaneous expenses. They paid ₹ 1,000/- for commission. They sold coal for ₹

40,000/-. Unsold coal was purchased by Sudhir for ₹ 6,000/-. Joint Bank Account is closed. Prepare necessary accounts.

OR

B) Vimal and Kamal entered into a Joint Venture by buying and selling electric motors. On 31st Jan., 2018, Vimal purchased 200 electric motors @ ₹ 175/- each and out of these 150 motors were sent to Kamal by spending ₹ 1,000/- on freight and insurance. 10 electric motors were damaged in transit. On 1st February, 2018, Vimal received ₹ 500/- from insurance company in respect of claim of damaged motors. On 15th March, 2018, Vimal sold 50 electric motors @ ₹ 225/- per motor. On 1st April 2018, Vimal received ₹ 15,000/- from Kamal. On 25th May, 2018 Kamal received those motors which were sent by Vimal to Him.

Kamal made following payments on them: Clearing charges ₹ 170/-; Repairs on damaged motors ₹ 300/-. Godown Rent for three months ₹ 600/-.

He sold electric motors as under:

On 1-2-2018, 10 damaged motors @ ₹ 170/- per motor; 40 motors @ ₹ 200/- per motor.

On 15-3-2018, 20 motors @ ₹ 315/- per motor.

On 1-4-2018, 80 motors @ ₹ 250/- per motor.

10% commission is paid on sales. Vimal and Kamal share profit and loss in the ratio of 2:1. Kamal sent the amount due to Vimal on 30th April, 2018.

Prepare Joint Venture Account with Kamal and Memorandum Joint Venture Account in the books of Vimal.

Q.4 A) A company whose accounting year is a calendar year, purchased on 1st April, 2016 machinery costing ₹ 30,000/-. It purchased further machinery on 1st October, 2016 costing ₹ 20,000/- and on 1st July, 2017 costing ₹ 10,000/-. On 1st January, 2018, one third of the machinery installed on 1st April, 2016 became obsolete and was sold for ₹ 3,000/-.

Show how Machinery Account would appear in the books of the company, it being that machinery was depreciated by Fixed Installment Method at 10% per annum. What would be the balance of the Machinery Account on 1st January, 2019?

OR

B) On 1-1-2016 A Co. Ltd. purchased a machinery for ₹ 80,000/-. On 1-7-2017 additions were made to the amount of ₹ 40,000/-. On 31-3-2018, machinery purchased on 1-7-2017, costing ₹ 12,000/- was sold for ₹ 11,000/- and on 30-6-2018 machinery purchased on 1-1-2016, costing ₹ 32,000/- was sold for ₹ 26,700/-. On 1-10-2018 additions were made to the amount of ₹ 20,000/-. Depreciation was provided at 10% p.a. on the diminishing balance method.

Show the Machinery Account for three years from 2016 to 2018 year ended 31st December.

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- Q.5 Answer the following questions in about 75-100 words: (Any Two) 08
A) What do you mean by Financial Accounting? Explain the scope of Financial Accounting.
B) Explain different Branches of Accounting.
C) State any four concepts of Accounting.
- Q.6 Answer the following questions in about 75-100 words: (Any Two) 08
A) Explain different types of Errors in Accounting.
B) What is Bank Reconciliation Statement? State the importance of preparing Bank Reconciliation Statement.
C) Explain the causes of difference between cash book balance and pass book balance.
- Q.7 Answer the following questions in about 75-100 words: (Any Two) 08
A) What is Joint Venture? Explain different types of Joint Venture Accounts.
B) Differentiate between Joint Venture and Partnership.
C) What is Memorandum Joint Venture Account? Explain accounting transactions related to Memorandum Joint Venture Account.
- Q.8 Answer the following questions in about 75-100 words: (Any Two) 08
A) What is depreciation? State different methods of charging depreciation.
B) State merits and demerits of Annuity Method of charging depreciation.
C) What is Depreciation Fund Method? Write journal entries to be made at the end of the 1st year under Depreciation Fund Method.
- Q.9 Answer the following questions in three to four sentences: 08
A) What is Trial-Balance?
B) What do you understand by Error of Omission?
C) What is centralized method in Joint Venture Accounting?
D) What is Depreciation Fund Insurance Policy Method?
