



Shiksha Mandal, Wardha's
G. S. College of Commerce & Economics, Nagpur

An Autonomous Institution

(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)

Second Semester Bachelor of Commerce (Computer Application) Examination
(CBCS)

FINANCIAL ACCOUNTING-II

(BCCAC 2.1)

Time: 3 Hours

Maximum Marks: 80

Note: All Questions are compulsory.

Q.1A) From the following Trial Balance of Mr. Jayant, as presented below prepare Trading and Profit & Loss Account for the year ending 31.03.2011 and Balance Sheet as on that date:

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Particulars	Dr. Amount	Cr. Amount
Capital Account		42,000
Drawing Account	2,600	
Purchases	17,800	
Sales Returns	660	
Investments	4,000	
Wages	6,800	
Sundry Debtors	14,060	
Law Charges	800	
Cash in hand	240	
Bank Overdraft		1,160
Land & Building	12,000	
Machines	24,000	
Salaries	3,600	
Office Expenses	1,600	
Discount A/c	90	
Stock (01.04.2010)	8,000	
Rent	480	
Insurance	360	
Carriage	1,270	
Sundry Creditors		10,000
Sales		44,000
Purchase Returns		1,200
	98,360	98,360

Adjustments:

1. Closing stock is valued @ ₹ 8,000.
2. Prepaid Insurance ₹ 90.
3. Depreciation is to be charged @ 3% on Land & Building and 10% on Machines.
4. The cost of Bicycle (₹ 1,600) purchased for his son is wrongly included in purchase A/c.
5. Wages of ₹ 400 are unpaid.
6. Write off ₹ 60 for bad debts for sundry debtors.

OR

B) Following balances are drawn from the books of Mr. X on 31st March 2011 on the basis of which you have to prepare final accounts for the year 2010-2011.

Particulars	Amount	Particulars	Amount
Capital Account	1,60,000	Drawings	20,800
Stock (01.04.2010)	42,000	Plant	55,000
Debtors	80,300	Furniture	6,000
R.D.D.	3,500	Sales	1,10,800
Purchases	73,000	Bad Debts	1,800
Wages	7,500	Insurance	1,600
Carriage	1,000	Salaries	9,000
Advances to Employees	2,000	Creditors	28,000
Interest Received	1,200	Rent Paid	2,000
Loan (Cr.)	15,000	Cash in hand	600
Investment	3,000	Motor Car	8,000
Bank Account	1,400	Electricity	1,600
Discount (Cr.)	500	Prepaid Insurance	400
Sales Return	800	Stock of Stationery	1,200
Stationery	1,500	Purchase Returns	1,500

Following adjustments are to be made:

1. Closing stock ₹ 45,000.
2. R. D. D. is to be raised up to ₹ 4,000.
3. Outstanding rent ₹ 400.
4. Outstanding interest on loan ₹ 720.
5. Interest earned on investment not received up to 31.03.2011 ₹ 300.
6. Reserve for discount payable is to be created @ 2% on good debtors.
7. Charge depreciation @ 10% on plant, 5% on furniture and 15% on motor car.
8. One of the debtors has become bankrupt and amount of ₹ 300 due from him is to be written off as bad debt.

Q.2 A) Shri Prabhakar keeps his books on single entry system. The following information is disclosed from his records:-

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Particulars	31.03.2001 (Amount)	31.03.2002 (Amount)
Cash at bank	21,000 (Cr)	56,000 (Dr)
Stock in trade	1,50,000	2,00,000
Sundry debtors	3,00,000	2,85,000
Furniture	50,000	50,000
Investment	50,000	50,000
Cash in hand	1,000	4,000
Sundry creditors	2,50,000	2,70,000
Bills payable	10,000	5,000
Loan from Sanjay	-	30,000

Shri Prabhakar transferred ₹ 2,500 each month during first half year and ₹ 2,000 each month for remaining period from business to his private banking A/c by way of drawing. In addition he withdrew ₹ 50,000 for his daughter's marriage and ₹ 10,000 for charitable purposes. He also withdrew goods worth ₹ 10,000/- for domestic purposes.

In December, 2001 he had received a lottery price of ₹ 50,000 of which he invested into the business ₹ 40,000. He sold his private car for ₹ 35,000 and proceeds were utilized for business. He wants his furniture to be depreciated at 10% and R.D.D. to be created at 5% on debtors. He had not paid two month's salary to his clerk @ ₹ 1,500 per month and two month's rent of shop was outstanding amount to ₹ 2,000 per month. Commission earned but not yet received by him was ₹ 24,000.

Compute his profit for the year 31.03.2002 and prepare Balance Sheet as on that date.

OR

B) Shri Ramdulare Singh has recorded his transactions as per single entry system. He maintains a cash book and writes up the debtors and creditors accounts. He provides you the following information and requests you to prepare regular Trading and Profit and Loss account for the year ended 31st March 2003 and Balance Sheet as on that date.

Collected from Debtors	₹ 50,800
Cash Sales	₹ 29,200
Cash Purchases	₹ 12,840
Paid to Creditors	₹ 29,800
Drawings by Ramdulare	₹ 4,000
Salaries and Wages	₹ 16,800
Printing and Stationery	₹ 1,000
Office Expenses	₹ 12,600
Rent Paid	₹ 2,400

Following other information is available:

	01.04.2002 Amount	31.03.2003 Amount
Sundry Creditors	18,000	10,000
Stock	17,200	20,440
Debtors	42,000	55,000
Furniture	2,800	2,800
Building	28,000	29,200
Cash in hand	200	360
Cash at bank	600	1,000

1. Charge interest at 5% on capital as on 01.04.2002.
2. Provide 5% for R. D. D. on Debtors.
3. Depreciate building and furniture by 10%.

Q.3 A) From the following Balance sheet and receipt and payment account of Juhu Sports Club, Juhu. Prepare Income and Expenditure account for the year ending 31.03.2013 and Balance Sheet as on that date.

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Balance Sheet
(As on 01.04.2012)

Liabilities	Amount	Assets	Amount
Capital Fund	1,54,950	Play Ground	1,00,000
Bank Overdraft	5,750	Sport Equipments	65,000
Prize Fund	60,000	Investments	40,000
		Stock of Sport Material (consumable)	9,000
		Outstanding Subscription	5,000
		Cash in hand	1,700
	2,20,700		2,20,700

Receipts and payments Account
(For the year ended on 31.03.2013)

Dr	Amount	Cr	Amount
Receipts		Payments	
To Balance b/d	1,700	Bank Overdraft (Repaid)	5,750
To Subscriptions		By Investment	60,000
2011-2012	3,750	By Ground Upkeep	5,500
2012-2013	85,000	By Printing and Stationery	2,250
2013-2014	1,000	By Sport Material Purchased	15,250
To Donation for Prize Fund	30,000	By Electricity Charges	1,850
To Entrance Fees	4,500	By Sports Equipments	25,000
To Sundry Income	2,000	By Balance c/d	
		Cash in hand	1,850
		Cash at bank	10,500
	1,27,950		1,27,950

Adjustments:

1. On 31.03.2013, sport material in hand was of ₹ 9,500.
2. Subscription outstanding for current year ₹ 5,000.
3. Entire amount of entrance fees is to be capitalized.

OR

B) Following is the Receipt and Payment account of Life Line Hospital, Chandrapur, for the year ending on 31st March 2011 and some additional information. You are required to prepare Income and Expenditure Account for the year ending 31st March 2011 and Balance Sheet as on that date.

Receipts and Payments Account
(For the year ended on 31.03.2011)

Dr.	Amount	Cr	Amount
Receipts		Payments	
To Balance b/d	10,500	By Furniture	22,000

To Subscription	92,700	By Medicines	15,700
To Entrance Fees	1,100	By Honorarium to doctors	65,000
To life membership fees (Capitalized)	15,000	By Salary	18,000
To Sale of old newspapers	600	By Sundry Expenses	3,500
To Donation for building fund	1,20,000	By Surgical Instruments	51,500
		By Fixed Deposits	60,000
		By Balance c/d	4,200
	2,39,900		2,39,900

Additional information:

Particulars	01/04/2010	31/03/2011
Outstanding Subscription	8,800	9,000
Subscription received in advance	7,500	5,000
Building	11,00,000	11,00,000
Investment	1,50,000	1,50,000
Capital fund	8,61,800	?
Building fund	4,00,000	?

Q.4 A) Vivek Milk Foods Co. Ltd. of Bramhapuri sent to Suresh Stores, Chandrapur 5000 Kgs. of baby food packed in 2000 tins of net weight 1 kg and 6000 packed of net weight ½ kg for sale on consignment basis. The cost price and selling price of the product were as under. The consignee's commission was fixed at 5% of sale proceeds.

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	<u>1 kg tin</u>	<u>½ kg tin</u>
Cost Price	₹ 10	₹ 6
Selling Price	₹ 15	₹ 7

The consignment was booked on freight "To pay basis" and freight charges came to 2% of selling value. One case containing 50-1 kg tins was lost in transit and the transport carrier admitted a claim of ₹ 450.

At the end of the first half year, the following information is gathered from the 'Account Sales' sent by the consignee.

1. Sale proceeds:

1500 – 1 kg tins

4000 – ½ kg packets

2. Store rent and insurance charges ₹ 600.

Find out the value of closing stock on consignment.

Show the :- (1) Consignment A/c and

(2) Consignee's A/c in the books of Vivek Milk Food Co. Ltd. that the consignee had paid the amount due from them.

OR

B) Kalidas Cotton Traders of Saoner consigned 600 bales of cotton to Mr. Bang of Kalmeshwar on 1st April 2007. The cost price was ₹ 900 per bale. The consignment invoice was made out at figure to show a gross profit of 20% on sale.

Mr. Bang reported on 30th June, 2007 that he had sold $\frac{3}{4}$ of the consignment of profit of 25% on sales and he incurred ₹ 3,000 as freight charges and ₹ 1,800 as godown rent.

Kalidas Cotton Traders spent ₹ 2,000 as expenses in dispatching goods.

Mr. Bang was entitled to as a commission of 6% on sale and 3% of the net proceeds (that is sales less his expenses and commission) as bonus. On 30th June, 2007 Mr. Bang sent a Bank draft for amount due from him.

Prepare ledger accounts in the books of Kalidas Cotton Traders:

- (i) Consignment A/c
- (ii) Consignee's A/c
- (iii) Goods sent on consignment A/c

- Q.5 Answer the following questions in about 75-100 words: (Any Two) 08
- A) Explain the importance of final account.
 - B) What do you mean by Balance Sheet? What is the need of preparing Balance Sheet?
 - C) What do you mean by Adjustments? How do adjustments occur?
- Q.6 Answer the following questions in about 75-100 words: (Any Two) 08
- A) What do you mean by single entry system? Explain its main features.
 - B) Explain the advantages and disadvantages of single entry system.
 - C) Explain the difference between the single entry system and double entry system.
- Q.7 Answer the following questions in about 75-100 words: (Any Two) 08
- A) Explain the meaning of Receipt and Payment Account and also explain its features.
 - B) Explain the meaning of Income and Expenditure Account and also explain its features.
 - C) Explain the difference between profit organization and non-profit organization.
- Q.8 Answer the following questions in about 75-100 words: (Any Two) 08
- A) Explain the meaning of consignment. What are the objectives of goods sent on consignment?
 - B) Explain the different types of commission paid to consignee by consignor.
 - C) What is meant by Closing Stock? How the valuation of closing stock is done in consignment.
- Q.9 Answer the following questions in about 3 to 4 sentences: 08
- A) Explain Capital a/c.
 - B) Explain Statement of Affairs.
 - C) Explain the difference between Income and Receipt.
 - D) Explain the term cost price and invoice price.
