

Enrollment No.....



Faculty of Commerce / Management

End Sem (Odd) Examination Dec-2018

CM3CO03 Financial Accounting-I /

MS3CO03 Financial Accounting

Programme: B.Com. (Hons.)

Branch/Specialisation: Commerce/

/ BBA

Management/DM

**Duration: 3 Hrs.****Maximum Marks: 60**

- Prepare Final Accounts, keeping following adjustments in mind-
- (a) Closing Stock Rs. 23,500.  
 (b) Salaries Rs. 450 and repairs bill Rs. 750 were Outstanding.  
 (c) Insurance Rs. 300 is prepaid.  
 (d) Create provision for doubtful debts at 5%.  
 (e) Provide depreciation at 10% on Machinery and 7.5 % on Building.
- OR iii. What are those errors which are not known even when the Trial Balance total is matched? Give suitable examples. **8**
- Q.5 i. What is meant by Bank Reconciliation Statement? What are the objectives of making behind it? **3**
- ii. Prepare Bank Reconciliation Statement from the following as on 30<sup>th</sup> April 2017 – **7**
- (a) Bank Balance as per Cash Book on that date was Rs. 1,300.  
 (b) Bank Balance as per Pass Book on that date was Rs. 1,750.  
 (c) Cheque deposited but not credited by Bank so far Rs. 190.  
 (d) Out of the Cheques of Rs. 800 issued in favour of creditors, cheque of the value of Rs. 480 only had been presented.  
 (e) The following items appeared in the Pass Book but had not been made in the Cash Book by that date-
- I. Interest allowed by Bank Rs. 30.  
 II. Bank Charges Rs. 10.  
 III. Direct payment of Rs. 300 deposited into Bank by a Customer.
- OR iii. On 1<sup>st</sup> July 2014 a Company purchased a Machine for Rs. 20,000 and on 1<sup>st</sup> January 2015 another Machine was purchased for Rs. 12,000. On 1<sup>st</sup> April 2016 the first machine which was purchased on 1<sup>st</sup> July 2014 was sold for Rs. 16,500 and on the same day a new machine was purchased for Rs. 10,000. On 31<sup>st</sup> December 2017 the second machine which was purchased on 1<sup>st</sup> January 2015 was sold for Rs. 8,900.  
 Prepare Machinery Account for Four Years providing depreciation by Diminishing Balance Method at 10 % per annum. **7**
- Q.6 Attempt any two:
- i. What do you mean by Computerized Accounting? What types of reports we can generate from it? **5**
- ii. Describe the Advantages & Disadvantages of Computerized Accounting. **5**
- iii. Explain the Various types of Vouchers. How can we make voucher entry? **5**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. The first stage of Double Entry System is **1**  
 (a) Posting (b) Classification (c) Trial Balance (d) Original Records
- ii. Account Which represented an item of assets is called **1**  
 (a) Nominal A/c (b) Personal A/c (c) Real A/c (d) None of these
- iii. A statement of balances of all accounts taken from the ledger is called **1**  
 (a) Balance Sheet (b) Trial Balance  
 (c) Statement of Accounts (d) None of these
- iv. If cheque received is not deposited in bank on the same day which account is debited **1**  
 (a) Bank A/c (b) Cash A/c (c) Customers A/c (d) Expenses A/c
- v. Financial Statements include **1**  
 (a) Trading A/c (b) Profit & Loss A/c  
 (c) Balance Sheet (d) All of these
- vi. Drawing are deducted from **1**  
 (a) Sales (b) Purchase (c) Return Outwards (d) Capital
- vii. Bank Reconciliation is made to reconcile the balance of **1**  
 (a) Cash Book (b) Petty Cash Book  
 (c) Bank A/c (d) Cash & Pass Book Balances
- viii. When we take the Cash Book Balance then we use to minus the following **1**  
 item to match the pass book balance  
 (a) Cheque Issued But not presented (b) Bank Charges  
 (c) Bank Interest (d) Direct deposit by customer in Bank

P.T.O.

- ix. Meaning of Computerized Accounting includes **1**  
 (a) Only use of Computer (b) Only Accounting  
 (c) Accounting by using Computer (d) Accounting Software CD
- x. In Computer Accounting first preliminary step we have to take **1**  
 (a) Ledger Posting (b) Trial Balance  
 (c) Balance Sheet (d) Voucher Entry

- Q.2 i. What is Double Entry System? Explain it by suitable example. **2**  
 ii. Sumer commenced his business on 1<sup>st</sup> January 2017 with Rs. 50,000 in cash and Rs. 8,000 in Goods. Journalise the transaction in the books of Mr. Sumer. **8**  
 Other transactions for the month of January are as follows-
- |   |        |
|---|--------|
| Jan. 2 Sold goods to Surendra               | 4,050  |
| Jan. 4 Purchased Furniture for the business | 3,800  |
| Jan. 5 Purchased vehicle for the business   | 28,000 |
| Jan. 6 Sold goods to Sunil for cash         | 6,000  |
| Jan. 9 Sold goods to B                      | 4,500  |
| Jan.11 Returned good by B                   | 1,500  |
| Jan.14 Received cash from B                 | 2,950  |
| Discount allowed to B                       | 50     |

- OR iii. Make the Accounting Equation from the following transaction- **8**  
 (a) Smt. Kapoor started business with cash Rs. 10,000.  
 (b) Kapoor purchased Machinery Rs. 5,000.  
 (c) Kapoor Purchased Goods on Credit of Worth Rs. 6,000.  
 (d) Kapoor sold good of Rs. 4,000 to Mrs. Madhuri for Rs. 6,000.  
 (e) Smt. Kapoor Paid Rs. 500 for Salary and She received Rs. 300 as Rent.  
 (f) Rent paid Rs. 500.  
 (g) Cash withdrawn for personal use Rs. 10,000.

- Q.3 i. What is a Cash Book? Describe the advantages of Cash Book. **2**  
 ii. Prepare a Trial Balance on 31<sup>st</sup> March, 2017 from the following balances – **8**

Capital A/c	20,000	Purchases A/c	15,000
Drawings A/c	5,000	Donation A/c	1,250
Commission A/c	3,000	Insurance A/c	2,750
Sales Return A/c	2,000	Carriage Outward	1,500
Bad Debts A/c	1,500	Carriage Inward	2,500
Rent & Taxes	500	Purchase Return	275

Bad Debts Reserve A/c	2,000	Bank Overdraft	1,125
Office Expenses A/c	3,500	Debtors A/c	1,500
Trade Expenses A/c	6,500	Creditors A/c	1,250
Opening Stock A/c	9,500	Bills Receivable A/c	2,125
Bills Payable A/c	250	Sales A/c	33,175

- OR iii. Enter the following transactions in a Three Column Cash Book- **8**  
 Jan. 1 Commenced business with cash 200,000  
 Jan. 2 Cash Deposited into Bank 40,000  
 Jan. 3 Received cash form Mohan Rs. 950 in full settlement of a debt 1,000.  
 Jan.4 Bought goods for Cash 10,000  
 Jan. 5 Bought goods by Cheque 15,000  
 Jan. 6 Sold goods for Cheque Rs. 20,000 And Deposited into bank same day.  
 Jan. 6 Paid to Arun by Cheque Rs. 1,900 in full settlement of his account Rs. 2,000.  
 Jan. 6 Withdrew from Bank for Office Uses. 1,000

- Q.4 i. Explain Outstanding Expenses & Prepaid Expenses with examples. **2**  
 ii. Following balances appeared in the books on 31<sup>st</sup> December 2016- **8**

	<b>Debit</b>		<b>Credit</b>
	<b>Balances</b>		<b>Balances</b>
Opening Stock	50,000	Capital A/c	1,05,000
Purchases	100,000	Purchase Return	5,500
Debtors	60,000	Creditors	78,500
Trade Expenses	10,000	Bills Payable	15,000
Machinery	60,000	Sales	2,42,000
Insurance	1,800	Commission	4,000
Salaries	4,100		
Building	64,000		
Repairs Expenses	1,520		
Wages	25,000		
Drawings	8,400		
Cash in Hand	1,400		
Cash at Bank	23,780		
Bills Receivable	22,500		
Bad Debts	17,500		
<b>Total</b>	<b>4,50,000</b>		<b>4,50,000</b>

## Marking Scheme

### CM3CO03 Financial Accounting-I / MS3CO03 Financial Accounting

Q.1	i. The first stage of Double Entry System is (d) Original Records	1		
	ii. Account Which represented an item of assets is called (c) Real A/c	1		
	iii. A statement of balances of all accounts taken from the ledger is called (b) Trial Balance	1		
	iv. If cheque received is not deposited in bank on the same day which account is debited (b) Cash A/c	1		
	v. Financial Statements include (d) All of these	1		
	vi. Drawing are deducted from (d) Capital	1		
	vii. Bank Reconciliation is made to reconcile the balance of (d) Cash & Pass Book Balances	1		
	viii. When we take the Cash Book Balance then we use to minus the following item to match the pass book balance (b) Bank Charges	1		
	ix. Meaning of Computerized Accounting includes (c) Accounting by using Computer	1		
	x. In Computer Accounting first preliminary step we have to take (d) Voucher Entry	1		
Q.2	i. Meaning of Double Entry System with example	2		
	ii. For Each Journal Entry 1 Mark Without Narration ½ Mark	(1 mark * 8) 8		
OR	iii. For each Equation 2 Marks or According Proportionately (Without Heading ½ Mark).	(2 marks * 4) 8		
Q.3	i. Cash Book Meaning, Description or Advantage/Use.	2		
	ii. Right Answer Full Marks Otherwise Marks Proportionately	8		
OR	iii. For each right entry 1 Mark (8*1) or Proportionately	8		
Q.4	i. Meaning of Outstanding & Prepaid Expense with Example.	2		
	ii. For Trading A/c	2.5 marks		
	For Profit & Loss A/c	2.5 marks		
	For Balance Sheet	3 Marks		
OR	iii. For Each Error & with Example 2 Marks	8		
Q.5	i. Bank Reconciliation Statement	1.5 marks		3
	Objectives of making	1.5 marks		
	ii. Prepare Bank Reconciliation Statement Proportionately Mark or for each right entry 1 mark			7
OR	iii. Machinery Account			7
	Right Answer Full Mark Otherwise Proportionately Mark			
Q.6	Attempt any two:			
	i. Meaning of Computerized Accounting	2.5 Mark		5
	Name of Reports or their light intro	2.5 Mark		
	ii. Advantages	2.5 Marks		5
	Disadvantages	2.5 Marks		
	iii. Types of Vouchers.			5
	Name of Vouchers or Types, Small intro	3 Marks		
	Procedure for making Voucher Entry	2 Marks		