

Roll No.:.....

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Dec, 2017

Program: B.Com, LLB. (Hons.) Taxation
Subject (Course): Financial Accounting
Course Code: BBCF - 235

Semester-III
Max. Mark - 100
Duration: 3 Hrs.

Note: All Section are compulsory.

Section -A
Objective Type (10x1 Marks)

Question 1.

1. Accrual concept is based on -
 - (a) Matching concept
 - (b) Dual Aspect concept
 - (c) Cost concept
 - (d) Going concern concept

2. Current Assets do not include -
 - (a) Debtors
 - (b) Motor car
 - (c) Bank Balance
 - (d) Prepaid expenses.

3. Journal records the transactions of a firm is a -
 - (a) Periodical manner
 - (b) Chronological order
 - (c) Summarized manner
 - (d) Systematic order.

4. Case received from Kajal Rs. 36,000 after allowing her discount @ 10%.
Amount debited to discount account will be -
 - (a) Rs. 3,600
 - (b) Rs. 4,000
 - (c) Rs. 4,400
 - (d) Rs. 40,000

5. Which of the following is not a cash Inflow:
 - (a) Decrease in Creditors
 - (b) Issue of shares
 - (c) Sale of Fixed Assets
 - (d) Decrease in Debtors.

Section - C**(2x10 Marks)****Description Type Analytical Question.****Q.6.** Give Journal Entries for the following transactions in the books of Raja Ram:

2005	
March 3	Bought goods for cash of the list price of Rs. 80,000 at 10% trade discount and 2.5 % cash discount.
March 5	Sold goods for cash of the list price of Rs. 1,00,000 at 15% trade discount and 3% cash discount.
March 6	Sold goods to Nagpal of the list price of Rs. 50,000 at 20% trade discount.
March 8	Nagpal returned one - fourth of the above goods.
March 10	Nagpal settled the account by paying cash under a discount of 5 %.

Q.7. A company purchased machine for Rs. 20,00,000 on 1st April, 2009. It purchased one more machine for Rs. 6,00,000 on 1st June, 2010. It sold one machine on 1st October, 2011 for Rs. 7,50,000 which was purchased on 1st April, 2009 for Rs. 12,00,000 (part of first machine) and on the same day purchased one more machine from the sale proceeds. On 30th Sept. 2012, the second machinery bought on 1st April, 2009 for Rs. 8,00,000 (part of first machine) was auctioned at 40% of the book value on that date.

Depreciation was charged at 12 % p.a. by diminishing balance method.

Prepare Machinery Account for four years. Books are closed on 31st March every year. Calculation made in nearest rupees.

Section-D**(2x25 marks)****Long Type Numericals**

Q.8. From the following Trial Balance extracted from the books of A, prepare Trading and Profit and Loss Account for the year ending 31st March, 2008 and a Balance Sheet as at that date: -

Debit Balance	Rupees	Credit Balance	Rupees
Furniture	1,280	Capital Account	25,000
Loose Tools	12,500	Provision for Bad Debts	400
Building	15,000	Creditors	5,000
Bad debts	250	Sales	30,900
Debtors	7,600	Bank Overdraft	5,700
Stock on 1st April, 2007	6,920	Purchases return	250
Purchases	10,950	Commission received	750
Sales return	400		
Stationery	900		
Interest	236		
Cash in hand	1,300		
Taxes and Insurance	2,500		
General Expenses	1,564		
Salaries	6,600		
Total	68,000	Total	68,000

The following adjustments are to be made:

- (i) Stock in hand on 31st March, 2008 was Rs. 6,500.
- (ii) Depreciate Building at 5% and Furniture at 10%. Loose Tools are revalued at Rs. 10,000 at the end of the year.
- (iii) Salaries Rs. 600 and taxes Rs. 240 are outstanding.
- (iv) Insurance amounting to Rs. 200 is prepaid.
- (v) Write off a further Rs. 200 as Bad debts and provision for Doubtful Debts is to be made equal to 5% on Sundry Debtors.
- (vi) Half of the stationery was used by the proprietor for his personal purpose.

Q.9. The Financial Position of Richa Ltd. was as under:

Particulars	Notes	31.03.15	31.03.14
I. Equity and Liabilities:			
1. Shareholders' Funds:			
Equity Share Capital		2,00,000	1,60,000
General Reserve		40,000	30,000
Statement of Profit and Loss		20,000	12,000
2. Non - Current Liabilities:			
Debentures		40,000	Nil
3. Current Liabilities:			
Trade Payables (Creditors)		1,40,000	1,64,000
Provision for Taxation		20,000	14,000
Proposed Dividend		40,000	20,000
Total (1+2+3)		5,00,000	4,00,000
II. Assets:			
1. Non-Current Assets			
Plant and Machinery		1,40,000	1,00,000
Investments		20,000	Nil
Building		1,20,000	80,000
1. Current Assets:			
Inventory (Stock)		80,000	40,000
Trade Receivables (Sundry Debtors)		1,00,000	1,40,000
Bank		40,000	40,000
Total (1+2)		5,00,000	4,00,000

Additional Information:

- (i) Depreciation @ 25% was charged on the opening value of Plant and Machinery.
- (ii) Building under construction was not subject to any depreciation.
- (iii) Rs. 10,000 was paid as Income Tax during the year.
- (iv) An old machine costing Rs. 10,000 (W.D.V. Rs. 4,000) was sold for Rs. 7,000.

You are required to prepare cash flow statement.

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Dec, 2017

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Semester-3rd
Max. Mark - 100
Duration: 3 Hrs.

Note: All Section are compulsory.

Section -A
Objective Type

(10x1 Marks)

Question 1.

1. Which of the following will be treated as drawings -
 - (a) Withdrawing money for payment of salary to employees.
 - (b) Withdrawing money for payment of creditors.
 - (c) Withdrawing money from business for private expenses.
 - (d) Withdrawing money for purchases of assets.
2. Personal Accounts related to:
 - (a) Assets & Liabilities
 - (b) Expenses, losses and incomes
 - (c) Debtors, Creditors etc.
 - (d) None of these.
3. Which of the following best describes the "Depreciation"?
 - (a) Valuation of fixed assets at the end of the year.
 - (b) Verification of assets.
 - (c) Allocation of cost of fixed assets over its useful life.
 - (d) Decreasing the market value of assets.
4. Which of the following is put on the debit side of trial balance.
 - (a) Sale A/C (b) Capital A/C (c) Purchase return A/C (d) Sale return A/C
5. Income earned but not received is shown in.....
 - (a) Liabilities (b) Assets (c) Footnotes (d) None of them
6. If profit is 25% cost, then it will be percent of sales.
 - (a) 20% (b) 15% (c) 30% (d) None of these.

7. Main features of business transaction is:
- (a) It involves an economic activity
 - (b) It result in a change in the Financial position of the firm.
 - (c) Change must be capable of being expressed in terms of money.
 - (d) All of the above.
8. In accounts recording is made of:
- (a) Only Financial transactions.
 - (b) Only Non-Financial transactions.
 - (c) Financial and Non-Financial transactions.
 - (d) Personal transactions of the Proprietor.
9. Mr. X is our debtor for Rs. 10,000. He became insolvent and only 60% is received from him. The balance of Rs. 4,000 would be entered to the -
- (a) Debit of discount A/C
 - (b) Credit of discount A/C
 - (c) Debit of Bad-debts A/C
 - (d) Credit of Bad-debts A/C
10. If profit is 50% of sales, then it will be..... percent of cost:
- (a) 100%
 - (b) 75%
 - (c) 60%
 - (d) None of these

Section -B

(4x5 marks)

Short Type Questions

Q.2. "Each transaction has a double aspect." Explain this statement giving examples.

Q.3. Define the term "Depreciation".

Q.4. Distinguish between -

(a) Expenses and losses

(b) Profit and gain

Q.5. What is difference between Single Entry System and Double Entry System?

Section- C**(2x10 marks)****Descriptive Type Analytical Questions****Q.6.** Enter the following transactions in the Journal of Sh. Arun Govil:

2001	
June 1	Sh. Arun Govil paid into bank as capital Rs. 6,00,000.
June 3	Purchased goods from Mukesh of the list price of Rs. 2,00,000 at 10% trade discount.
June 4	One-fourth of the above goods returned to Mukesh for not being upto specifications.
June 6	Issued a cheque to Mukesh for the amount due to him after deducting 2% as cash discount.
June 7	Withdrew from bank Rs. 2,50,000 for office use and Rs. 10,000 for personal use.
June 10	Purchases a machinery for Rs. 1,00,000 and spent Rs. 5,000 on its installation. Payment for machinery was made by cheque and installation expenses were paid in cash.
June 12	Sold goods for Rs. 1,00,000 to Amar
June 13	Amar clears his account by giving a cheque of Rs. 98,500. Cheque is immediately sent to bank.
June 15	Purchased stationery for personal use Rs. 200 and for office use Rs. 500.
June 20	Purchased land for Rs. 2,00,000 and paid 1% as brokerage and Rs. 15,000 as registration charges on it.
June 30	Wages due to labourers Rs. 2,000 and salary due to the clerk Rs. 3,000.

Q.7. A company purchased machine for Rs. 20,00,000 on 1st April, 2009. It purchased one more machine for Rs. 6,00,000 on 1st June, 2010. It sold one machine on 1st October, 2011 for Rs. 7,50,000 which was purchased on 1st April, 2009 for Rs. 12,00,000 (part of first machine) and on the same day purchased one more machine from the sale proceeds. On 30th Sept. 2012, the second machinery bought on 1st April, 2009 for Rs. 8,00,000 (part of first machine) was auctioned at 40% of the book value on that date. Depreciation was charged at 10% p.a. by diminishing balance method.

Prepare Machinery Account for four years. Books are closed on 31st March every year. Calculation made in nearest rupees.

Section-D

(2x25 marks)

Long Type Numericals

Q.8. From the following Trial Balance extracted from the books of A, prepare Trading and Profit and Loss Account for the year ending 31st March, 2008 and a Balance Sheet as at that date: -

Debit Balance	Rupees	Credit Balance	Rupees
Furniture	640	Capital Account	12,500
Loose Tools	6,250	Provision for Bad Debts	200
Building	7,500	Creditors	2,500
Bad debts	125	Sales	15,450
Debtors	3,800	Bank Overdraft	2,850
Stock on 1st April, 2007	3,460	Purchases return	125
Purchases	5,475	Commission received	375
Sales return	200		
Stationery	450		
Interest	118		
Cash in hand	650		
Taxes and Insurance	1,250		
General Expenses	782		
Salaries	3,300		
Total	34,000	Total	34,000

The following adjustments are to be made:

- (i) Stock in hand on 31st March, 2008 was Rs. 3,250.
- (ii) Depreciate Building at 5% and Furniture at 10%. Loose Tools are revalued at Rs. 5,000 at the end of the year.
- (iii) Salaries Rs. 300 and taxes Rs. 120 are outstanding.
- (iv) Insurance amounting to Rs. 100 is prepaid.

- (v) Write off a further Rs. 100 as Bad debts and provision for Doubtful Debts is to be made equal to 5% on Sundry Debtors.
- (vi) Half of the stationery was used by the proprietor for his personal purpose.

Q.9. The Balance Sheets of Bharat Limited as at 31st March, 2014 and 2015 are given below:

Particulars	Notes	31.03.15	31.03.14
I. Equity and Liabilities:			
1. Shareholders' Funds:			
Equity Share Capital		9,00,000	9,00,000
General Reserve		6,20,000	6,00,000
Statement of Profit and Loss		1,36,000	1,12,000
2. Non - Current Liabilities:			
Mortgage Loan		5,40,000	Nil
3. Current Liabilities:			
Trade Payables (Creditors)		2,68,000	3,36,000
Provision for Taxation		20,000	1,50,000
Total (1+2+3)		24,84,000	20,98,000
II. Assets:			
2. Non-Current Assets			
Fixed Assets		6,40,000	8,00,000
Investments		1,20,000	1,00,000
3. Current Assets:			
Inventory (Stock)		4,20,000	4,80,000
Trade Receivables (Sundry Debtors)		9,10,000	4,20,000
Bank		3,94,000	2,98,000
Total (1+2)		24,84,000	20,98,000

Additional Information:

- (i) Investment costing Rs. 16,000 were sold during 2014-15 for Rs. 17,000.
- (ii) Provision for tax made during the year was Rs. 18,000.

- (iii) During the year part of the fixed assets costing Rs. 20,000 was sold for Rs. 24,000. The profit was included in Profit and Loss Account.
 - (iv) Dividend paid during the year amounted to Rs. 80,000.
- You are required to prepare cash flow statement.