



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Financial Accounting
Programme: B Com LLB
Time: 03 hrs.

Course Code: FINC1012
Semester: Ist
Max. Marks: 100

Instructions: All questions are compulsory.

S. No.	Section A Each question is of 2 marks. (2 x 5)	Marks	CO
Q1.	State whether the following statements are true or false: 1. In accounting all business transactions are recorded on double entry basis. 2. Capital expenditure is the expenditure which is incurred for obtaining benefit within one year.	2	1
Ans.			
Q2.	According to money measurement concept, the following will not be recorded in the books of accounts: a. Value of furniture b. Sale of goods c. Quality of services d. None of these	2	3
Ans.			
Q3.	Furniture purchased by a furniture dealer for resale is a: a. Revenue Expenditure b. Capital Expenditure c. Deferred Revenue expenditure d. None of these	2	2
Ans.			
Q4.	The wages paid for installation of machine of a business is a: a. Revenue Expenditure b. Capital Expenditure c. Deferred Revenue expenditure d. None of these	2	1
Ans.			
Q5.	If owner's equity is Rs.50,000 liabilities is Rs. 30,000 and fixed assets are Rs.70,000 then what is the value of current assets? (a) 10,000 (b) 40,000 (c) 80,000 (d) 1,00,000	2	4
Ans.			
	Section B Each question is of 5 marks. (5 x 4)		
Q1.	Prepare the accounting equation on the basis of following information: 1. Commenced business with cash Rs. 60,000. 2. Purchased goods on credit from Ram Rs. 8,000.	5	1

	3. Paid to Ram in full settlement Rs. 7,800. 4. Purchased furniture and paid Rs. 3,000																																																								
Ans																																																									
Q2.	State differences between Trade Discount and Cash Discount.	5	2																																																						
Ans																																																									
Q3.	Explain different types of accounts and also their respective rules.	5	1																																																						
Q4.	Journalize the following transactions: Jan. 1 Paid Rent Rs. 200 Jan. 3 Purchased goods for cash Rs. 400 Jan. 5 Paid into Bank Rs. 500 Jan. 6 Sold goods for cash Rs. 1,000. Jan. 10 Received commission Rs. 1,200	5	3																																																						
Ans																																																									
	Section C Each question is of 10 marks. (10 x 2)																																																								
Q1.	X Limited purchased a machinery for Rs.85,000 on 1st October 2017. It purchased another machinery on 1st July, 2019 for Rs.30,000 and sold the 1st machinery for Rs.72,000 on 1st October 2020. Prepare machinery Account up to 31st December if the depreciation is provided @10% per annum according to straight line method.	10	1																																																						
Ans.																																																									
Q2.	From the following information calculate Receivables Turnover Ratio. Closing Trade Receivables/ Debtors = Rs.10,000 Cash Sales are 20% of Credit Sales. Excess of Closing Trade Receivables over Opening Trade Receivables are Rs.4,000. Sales/ Revenue from Operations = Rs.60,000	10	4																																																						
Ans.																																																									
	Section D Each question is of 25 marks. (25 x 2)																																																								
Q1.	From the following Trial Balance, prepare the Trading and Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date after taking into account the adjustments given below:																																																								
	<table border="1"> <thead> <tr> <th>Trial Balance as on 31st March, 2011 Particulars</th> <th>Amount Dr. (Rs)</th> <th>Amount Cr. (Rs)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td></td> <td>3,20,000</td> </tr> <tr> <td>Drawings</td> <td>7,600</td> <td></td> </tr> <tr> <td>Purchase & Sales</td> <td>93,000</td> <td>1,60,000</td> </tr> <tr> <td>Returns</td> <td>2,800</td> <td>11,700</td> </tr> <tr> <td>Stock (April 1st, 2010)</td> <td>12,000</td> <td></td> </tr> <tr> <td>Wages</td> <td>8,000</td> <td></td> </tr> <tr> <td>Building</td> <td>2,50,000</td> <td></td> </tr> <tr> <td>Factory Expenses</td> <td>20,000</td> <td></td> </tr> <tr> <td>Trade Expenses</td> <td>2,000</td> <td></td> </tr> <tr> <td>Advertisement</td> <td>2,400</td> <td></td> </tr> <tr> <td>Interest</td> <td></td> <td>3,500</td> </tr> <tr> <td>Repair & Maintenance</td> <td>1,300</td> <td></td> </tr> <tr> <td>Debtor & Creditors</td> <td>75,000</td> <td>12,000</td> </tr> <tr> <td>Bill Receivable & Bill Payable</td> <td>15,000</td> <td>7,000</td> </tr> <tr> <td>Cash at Bank</td> <td>12,000</td> <td></td> </tr> <tr> <td>Cash in Hand</td> <td>9,100</td> <td></td> </tr> <tr> <td>Salaries</td> <td>4,000</td> <td></td> </tr> </tbody> </table>	Trial Balance as on 31st March, 2011 Particulars	Amount Dr. (Rs)	Amount Cr. (Rs)	Capital		3,20,000	Drawings	7,600		Purchase & Sales	93,000	1,60,000	Returns	2,800	11,700	Stock (April 1 st , 2010)	12,000		Wages	8,000		Building	2,50,000		Factory Expenses	20,000		Trade Expenses	2,000		Advertisement	2,400		Interest		3,500	Repair & Maintenance	1,300		Debtor & Creditors	75,000	12,000	Bill Receivable & Bill Payable	15,000	7,000	Cash at Bank	12,000		Cash in Hand	9,100		Salaries	4,000		25	3
Trial Balance as on 31st March, 2011 Particulars	Amount Dr. (Rs)	Amount Cr. (Rs)																																																							
Capital		3,20,000																																																							
Drawings	7,600																																																								
Purchase & Sales	93,000	1,60,000																																																							
Returns	2,800	11,700																																																							
Stock (April 1 st , 2010)	12,000																																																								
Wages	8,000																																																								
Building	2,50,000																																																								
Factory Expenses	20,000																																																								
Trade Expenses	2,000																																																								
Advertisement	2,400																																																								
Interest		3,500																																																							
Repair & Maintenance	1,300																																																								
Debtor & Creditors	75,000	12,000																																																							
Bill Receivable & Bill Payable	15,000	7,000																																																							
Cash at Bank	12,000																																																								
Cash in Hand	9,100																																																								
Salaries	4,000																																																								

Adjustments:

- (i) Stock on 31st March, 2011 was valued at Rs. 25,000.
- (ii) Outstanding liabilities were: Salaries Rs. 2,000 and Repairs Rs. 1,300.
- (iii) Depreciate Building at 10% p.a.

Ans

Q2. Following is the Balance Sheet of Mr. Anil. Prepare a Cash Flow Statement:

Liabilities	2020	2021	Assets	2020	2021
Capital	3,00,000	2,20,000	Fixed Assets	3,00,000	2,50,000
Trade Payables	1,10,000	1,31,000	Inventory	80,000	60,000
O/s Expenses	-	16000	Trade Receivables	40,000	42,000
Bank	10,000	-	Bank	-	15,000
Total	4,20,000	3,67,000	Total	4,20,000	3,67,000

25

4

Other Information:

- i) There was neither any drawings nor any capital addition during the year.
- ii) There was neither any purchase nor any sale of fixed assets during the year.

Ans