

M.B.A. (CBCS Pattern) Semester-I  
**PCB1F05 / C15 - Financial Accounting**

P. Pages : 4

Time : Three Hours



**GUG/S/25/10678**

Max. Marks : 70

- Notes : 1. All questions are compulsory.  
2. All questions carry equal marks.

1. a) Journalize the following transaction in the books of Raja.

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Date 2022	Particular	Amount
August 1	Shri Raja invested in business	2,00,000
2	Opened an account with the bank of Baroda by Depositing Cash	16,000
3	Purchased goods for cash	5,000
4	Purchased Machinery for cash	8,000
5	Cash Purchase of goods	3,000
6	Cash Sales	9,000
15	Withdraw cash for personal use	2,000
16	Purchased goods from Preetm Singh on credit	6,000
25	Received cash on account from Ram	3,500
26	Paid cash to Mina	2,500
29	Paid rent	1,250
30	Received Commission	1,750
30	M/s Ram & Sons returned goods	1,000

- b) Record the following transaction in two column cash book (Cash & Discount)

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2023 May 1	Opening Cash Balance 7500
3	Received from A & Co Rs 1,300 in full settlement of Rs 1,400.
4	Received for cash sales 1,200
5	Paid to Rajesh & Co Rs 750 in full settlement of his account for Rs 800
7	Purchase office furniture 1,000
13	Paid for postal Stamps 25
15	Paid for office rent for Month of April 525
17	Use office cash for meeting personal expenses 450
19	Sold goods on credit to Mr. Fakin 1,700
20	Paid to Rajni Rs 670 in full settlement of her account Rs 700
20	Deposit in bank all cash in excess of Rs 1,000

2. a) On checking P's cash book with the bank statement of his current account for the month of March 2008 you find the following: 14
- Cash Book showed on overdraft of Rs.4,500/-
  - The payment side of the cash book has been undercast by Rs. 150.
  - A cheque of Rs.750 drawn on current account has been shown as drawn on his Saving A/c in the cash book.
  - Under instructions from P the bank had transferred Rs.900 from his deposit A/c to his current A/c on 3<sup>rd</sup> April, 2008. This amount had however, been recorded in the cash book before 31<sup>st</sup> March 2008.

- v) Cheque amounting to Rs.7,500 drawn and entered in the Cash Book had not been presented.
- vi) Cheques amounting of Rs.6,000 sent to the bank for collection though entered in the cash book have not been credited by the bank.
- vii) Bank charges of Rs.75 as per Bank Statement had not taken in the cash book.
- viii) Dividend of Rs.3,000 had been paid direct to the bank and not entered in the cash book.
- ix) A cheque issued to R for Rs.200 was replaced when out of date, but it was entered in the cash book, again and no entry having been recorded. Both the cheques were also included in the total of cheques issued but not presented as shown above. You are required to arrive at the balance as it would appear in the bank statement as on 31<sup>st</sup> March 2008.

3. a) From the following information prepare Income & expenditure and Balance Sheet as on that date. 14

Receipts & Payment A/C for ladies Club For the year ended 31<sup>st</sup> March 2020

Receipt	Amount	Payment	Amount
To balance b/d	3,350	By Salary	4,500
To subscription (including Rs. 250 for 2019 and Rs.150 for 2021)	8,900	By Rent	2,200
To Donation	15,000	By printing & stationery	190
To Admission Fees	100	By Postage	160
To Sale for old News paper	50	By Furniture	5,000
To sale of old furniture (book value Rs. 400)	300	By Investment in National saving certificate	10,000
		By sports Material purchased	2,000
		By general Expenses	500
		By Repairs of sports material	200
		By Balance c/d	2,950
	27,700		27,700

Additional Information:-

- 1) Assets on 1<sup>st</sup> January 2019 were as follows:-Land & Building Rs. 5000, Furniture Rs.400, Sports Material Rs. 1,100, Outstanding Subscription Rs. 250.
  - 2) Donation represent Donation taken for building fund.
  - 3) Subscription outstanding for the year 2020 Rs.500
  - 4) Outstanding Salaries for 2020 Rs. 500
  - 5) Depreciation on furniture by 10% and Sports Material is Valued at Rs. 800
- Prepare income & Expenditure A/c for the year ended on 31<sup>st</sup> March 2020 and Balance sheet as on that date.

4. The following is the trial balance of Nilam Co Ltd. The Company Has 40,000 share of Rs.100 each as an authorized Capital. 14

Trial Balance as on 31<sup>st</sup> March 2019

Particular	Amount	Amount
Share capital		6,00,000
Calls in arrears	32,000	
Reserve fund		5,00,000
Building	3,60,000	
Fixed deposit		2,00,000
Wages	60,000	
Machinery	1,78,000	

Furniture	1,60,000	
Purchase & Sales	4,20,000	10,50,000
Salary	1,20,000	
Debtor & Creditors	4,40,000	3,00,000
Bills Receivable & bills payable	1,22,000	1,80,000
Directors fees	40,000	
Returns	30,000	40,000
Freight	20,000	
Opening Stock (1-4-2018)	1,30,000	
Interim dividend	50,000	
Audit fees	30,000	
Loos Tools	76,000	
Preliminary Expenses	1,20,000	
Manufacturing expenses	10,000	
Debentures		2,00,000
Interest on Debentures	28,000	
Profit & Loss Appropriation A/c		54,000
Investment in securities	5,00,000	
Goodwill	1,04,000	
Insurance & Taxes	40,000	
Printing & Stationery	30,000	
Bank balance	24,000	
	31,24,000	31,24,000

Adjustment:

- 1) Closing Stock Rs 1,60,000
- 2) Prepaid Insurance Rs.3,000
- 3) Depreciate Building at 2% and Furniture By 5%.
- 4) Write off Preliminary Expenses by 25% and 10% of Goodwill.
- 5) Directors proposed total dividend @25%
- 6) Transfer Rs 1,20,000 to reserve fund.

Prepare Trading and Profit & Loss A/C for the year ended 31-3-2019 and Balance sheet on that date.

5. a) From the following Balance sheet of a limited company as on 31<sup>st</sup> March 2021

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Liabilities	Amount	Assets	Amount
8000 Equity share of Rs.100 Each.	8,00,000	Building	3,40,000
6% Debentures of Rs.100 Each	1,00,000	Plant	2,10,000
Creditors	1,40,000	Machinery	2,50,000
Bills payable	80,000	Furniture	1,50,000
Provision for tax	70,000	Debtors	1,40,000
Outstanding liability	20,000	Stock	1,80,000
Profit & loss A/c	1,40,000	Cash	20,000
		Bank	60,000
	13,50,000		13,50,000

The Expert Valuer, valued the building at Rs 4,00,000 Plant at Rs 2,50,000, Machinery at Rs 2,10,000 and Furniture at Rs 1,40,000. Out of the total debtors Rs 10,000 are Bad.

The Profit of the company has been as follows.

Year ended	Rs.
31-3-2020	1,10,000
31-3-2019	1,90,000
31-3-2018	2,40,000

31-3-2017 1,40,000

31-3-2016 1,90,000

Goodwill to be assessed 4 times of average super profit of last five years. Reasonable rate on Capital invested is 11%.

6. Konark Ltd issued a prospectus inviting application for 20,000 shares of Rs 10 each at a premium of Rs 2 per share, Payable as under:- **14**
- On application Rs 2 Per share  
On Allotment Rs 5 per share (Including Premium)  
On First Call Rs 3 Per Share  
On Final Call Rs 2 Per Share
- Applications were received for 30,000 share and allotment made Pro-rata to the application of 24,000 shares. Money over paid on application was employed on account of sum due on allotment.
- Mr. Karan to whom 400 shares were allotted failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited.
- Mr. Arun, who applied for 720 shares, failed to pay both the calls and his share were forfeited after final call.
- The Directors decided to reissue three fourth share of Mr. Karan and one-half of Mr. Arun to Mr. Sahil at a discount of 10% as fully paid.
- Journalize the above transactions in the book of the company.
7. A limited company decided to go into voluntary liquidation. On that date its share capital consisted of **14**
- 4,000 preference share of Rs 50 each fully paid.  
40,000 Equity shares of Rs 20 each fully paid  
40,000 Equity shares of Rs 20 each Rs 16 paid up.
- The company creditors were for actual amount of Rs 4,50,000. Out of which Rs 20,000 were preferential and creditors of Rs 1,30,000 were fully secured.
- The entire asset including those held by the creditors realized Rs 6,50,000.
- Cost of Liquidation amounted to Rs 26,500. The Liquidation was entitled for a commission at Rs 5 on the amount realized from the sale of asset and at 3% on amount paid to unsecured creditors (Excluding the preferential creditors).
- The Liquidator made a call of Rs. 3 per share on the partially paid up share. He realized the call money on all share excluding 4,000 shares which were subsequently forfeited.
- From the above information prepare the liquidators final statement of account.
8. Describe the real nature of accounting? Why accounting has been called the language. **14**
9. Accounting is an information system. Explain the statement **14**
10. Write Short notes **any two**. **14**
- a) Double entry System  
b) Contingent liabilities.  
c) Revenue Expenditure & Capital Expenditure  
d) Need for liquidation

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