

B.B.A. (CBCS Pattern) Semester-I
UCB1C05 - Financial Accounting-I

P. Pages : 5

Time : Three Hours



GUG/S/25/10586

Max. Marks : 80

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

1. a) State the characteristics of Accounting principles and explain the various accounting Conversion? 8
- b) Journalize the following transaction, in the book of Mr. Ram on 31st January. 8

OR

c) 16

Date	Particular
January 1	Ram Started business with a capital of Rs. 10,000
2	He Purchased goods from Mohan on credit Rs. 2,000
3	He Paid cash to Mohan Rs. 1,000
4	He sold goods to Suresh Rs. 2,000
5	He received cash from Jyoti Rs. 4,000
7	Paid for stationery Rs. 200
10	Purchased Furniture for Rs. 2,000
13	Gift received Rs. 5,000 invested in Business.
15	Paid Electricity bill Rs. 1,050
20	Sold goods worth Rs. 3,000
23	Paid for repair of Machinery Rs. 200
28	Received Interest Rs. 300
30	Paid for salary Rs. 1,500 & Rent Rs. 2,000

Record the following transaction in Double column cash book.

2023 April	
1	Opening Cash Balance in Hand Rs. 30,000
3	Received Rs. 2,575 from Rakhi in full settlement of Rs. 2,600
4	Paid to Sachin Rs 2,970 in full settlement of Rs 3,000.
5	Received due Rs. 5,000 from Sarika and allowed 2% Cash Discount
9	Purchased goods for Cash Rs 8,000 @ 1% Cash Discount
12	Sold goods of Rs 10,000 @ 2% cash Discount
14	Goods Sold for cash Rs 25,000
18	Brought goods and paid Rs. 4,000
18	Brought goods and paid Rs. 4,000
22	Received Rs. 6,000 from Harian on account
24	Paid Rs. 3,000 to Anup.
28	Purchased goods for cash Rs. 6,000
29	Paid Rent Rs. 3,000
30	Received Commission Rs. 2,000
30	Deposit in Bank of India Rs. 15,000

2. a) From the following information prepare Trading and Profit and Loss A/c for, the year ended 31st March 2017 of Laxmi Co. Ltd.

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Stock (1 st April 2016)	3,93,014
Manufacturing Wages	2,19,480
Manufacturing Expenses	38,480
Purchases	14,36,420
Sales	23,39,800
Machinery repairs	20,340
Carriage inwards	9,820
Carriage outwards	18,520
Interest on Bank Loan	18,000
Debtors	2,90,000
Plant & Machinery	2,56,800
Electricity Expenses:	
Factory 28,420	
Office <u>6,800</u>	35,220
Directors Remuneration	30,000
Office salaries & expenses	35,000
Auditors fees	4,500
Office furniture	60,000
Commission (Cr)	15,640
Purchase return	19,620
Sales return	19,744
Preliminary expenses	12,000
Transfer fees	120
Stock 31 st March 2018	2,25,500

- b) From the following figures prepare a Balance sheet of Apurva Co. Ltd as on 31st March 2015.

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Equity Share capital	1,50,00,000
General reserve	16,26,000
Calls-in-arrears	2,30,600
Share Premium	20,46,000
Dividend Equalization Fund	2,50,000
Profit & loss A/c (Cr)	17,16,314
14% Debenture	96,00,000
Creditors	34,52,000
Debtors	37,87,000
Plant & Machinery	1,46,00,000
Furniture	10,71,000
Investments	50,36,200
Preliminary Expenses	10,16,000
Stock (31-3-2015)	96,00,000
Cash in Hand and at Bank	45,38,400

Additional Information:

- Provide depreciation on Plant & Machinery @ 10% and on Furniture @ 5% p.a.
- Reserve for Doubtful debts is to be kept at 2% on debtors.
- Interest on Debenture due for whole year.
- Interest on Investment Rs. 4,02,896 is receivable for the year

- v) Provide for dividend @18% on Paid up Capital.
- vi) Provide Rs. 10,00,000 for payment of Tax.
- vii) Apurva Co. Ltd has an authorized capital of Rs. 5 crores divided into 50,00,000 equity share of Rs 10 each.

OR

- c) Following is the Trial Balance of Big Bee Ltd. as on 31st March 2019:

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Particular	Dr Amount	Particular	Cr Amount
Stock on 1-4-2020	75,000	Purchase Return	10,000
Purchases	2,45,000	Sales	3,40,000
Wages	30,000	Discount	3,000
Carriage	950	Profit & Loss A/c	15,000
Furniture	17,000	Share Capital	1,00,000
Salaries	7,500	Creditors	17,500
Rent	4,000	General Reserve	15,500
Sundry Trade Exp	7,050	Bills Payable	7,000
Dividend Paid	9,000		
Debtors	27,500		
Plant & Machinery	29,000		
Cash at Bank	46,200		
Patents	4,800		
Bills receivable	5,000		
	5,08,000		5,08,000

Prepare Trading & Profit & Loss Account for the year ended 31st March 2019 and Balance sheet as on that date after making the following adjustment.

1. Stock as on 31st March 2019 was Rs 88,000
2. Provide for Income tax at 50%
3. Depreciate Paint & Machinery at 15%, Furniture at 10% and Patents at 5%.
4. On 31st March 2019 outstanding rent amounted to Rs 800 and Salaries Rs 900
5. The Board recommends Payment of Dividend @ 15% p.a.
6. Transfer Rs. 1,500 to General reserve.
7. Provide Rs 510 for doubtful debt.
8. Provide for Managerial remuneration at 10% on Profit before tax.
9. Provide Corporates dividend tax @ 10% and 2% surcharge thereon.

3. a) From the following Prepare Income & Expenditure account for the year ended 31st March 2010.

8

Receipt & Payment A/C
31st March 2010

Receipt	Amount	Payment	Amount
To Opening Balance B/d	14,500	By Sports Material	60,000
To Donation	75,000	By Furniture	15,000
To Subscription	16,000	By salary	9,000
To Government Grant	9,000	By General expenses	6,200
		By Closing Balance	24,300
	1,14,500		1,14,500

Additional Information:-

1. Donation are to be capitalized
2. Subscription outstanding on 31st March 2010 is Rs. 4,000.
3. Salary of previous year Rs. 1,000
4. On 31st March 2010 the sports material was valued at Rs. 50,000.

- b) From the following information prepare Balance Sheet of AI College as on 31st March 2018.

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Particular	Amount
Capital Fund on 1-4-2017	42,50,000
Excess of Income over expenditure	70,000
Donation to be capitalized	40,000
Building Fund to be capitalized	4,00,000
Sports Material	75,000
Cash in Hand & Bank	2,25,000
Premises & Play Fields	40,00,000
Govt. Grant Receivable.	5,40,000

Depreciation on Premises of Rs 10,000 is not provided in the books of account.

OR

- c) From the following information prepare Income & expenditure and Balance Sheet as on that date.

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Receipts & Payment A/C For the year ended 31st March 2021

Receipt	Amount	Payment	Amount
To Opening Balance	3,200	By Bank Overdraft (Paid on 1-4-2020)	6,000
To Subscription		By Investment	8,000
2019-20 800		By Furniture	3,300
2020-21 36400		By Salaries	15,000
2021-22 400	37,600	By Stationery	1,700
To Income from Drama	6,000	By Insurance	300
To Admission Fees (to be capitalized)	1,400	By Cost of Drama	3,000
To Term Fees	1,000	By General Expenses	3,200
To Sale of old furniture (Book Value Rs. 300)	400	By Closing Balance c/d on 31-3-2021	9,100
	49,600		49,600

Additional Information:

1. Balance on 1st April 2020 were as follows.
Land & Building Rs. 60, 000, Investment Rs. 10,000, Furniture Rs. 6,000, Outstanding Subscription Rs. 1,000.
2. Stock of Stationery in hand on 31st March 2020 was Rs. 500 and on 31st March 2021 Rs. 150
3. Subscription for the year 2020-21 is outstanding Rs. 3,000.
4. Outstanding Salaries on 31st March 2021 Rs. 1,000.
5. Depreciation Land & Building and Furniture by 5% respectively on opening Balance. Prepare income & Expenditure A/c for the year ended on 31st March 2021 and Balance sheet as on that date.

4. a) Nilkamal Co. Ltd Bombay sent on consignment 1,000 plastic chair at cost of Rs. 250 per chair to Ramaswami of Chennai. The company paid Rs. 2,000 as freight and Rs. 1000 as insurance premium while sending the chairs to Ramaswami. Ramaswami was entitled to a commission at 6% on gross sale proceeds. 8

Nilkamal company drew a bill of exchange of Rs. 60,000 on Ramawami as an advance against the consignment. Ramaswami accepted the bill and returned to the company which discounted the bill with its bankers for 59,600.

At the end of the year an account sale was received from Ramaswami in which following detail was shown.

i) 750 chair sold by Ramaswami for Rs. 2,40,000.

ii) Expenses incurred by Ramaswami were: Dock Charges Rs. 350 Carriage Rs. 550.

Selling expenses Rs. 800

iii) Commission charged by Ramaswami at the agreed rate

A Bank draft for Rs 1,40,000 was inclosed with the account Sales by Ramawami.

Prepare Consignment A/c & Ramaswami A/c in the book of Nilkamal Co. Ltd.

- b) Marathe Brothers Consigned 100 wire bundles costing Rs. 400 each to Jyoti Electrical of Katol. Consignor Spent Rs. 100 towards freight and insurance. During transit 5 wire bundles badly damaged and the insurance company accepted the claim for Rs. 1,500 only. Consignee took delivery of the remaining wire bundles and spent Rs 950 for Octroi and Rs. 800 for indirect expenses. They are entitled to 5% ordinary commission and 2% delcredere commission. Consignee sold 50 bundles @ 600 each in cash and 30 bundles on credit @ Rs. 650 each there is a bad debt of Rs 500. 8
- Pare consignment A/C in the books of Marathe Bros.

OR

- c) Kedar Cotton Traders of Saoner Consigned 600 bales of cotton to Mr. Bang of Kaleshwar on 1st April 2017. The cost price was Rs 900 per bale. The consignment invoice was made out at figure to show a gross profit of 20% on sale. 16
- Mr. Bang reported on 30th June 2017 that he sold $\frac{1}{4}$ of the consignment of profit of 25% on sale and he incurred Rs. 3,000 as freight charges and Rs 1,800 as godown rent. Kedar cotton Traders spent Rs. 2,000 As expenses in dispatching goods. Mr. Bang was entitled to a commission of 6% on sale and 3 % of the net proceed (that is sales less his expenses and commission) as bonus. On 30th June 2017 Mr. Bang sent a bank draft for amount due from him. Prepare ledger account in the books of Kedar Cotton Traders.
- i) Consignment A/C
ii) Consignee A/C
iii) Goods Sent on Consignment A/c

5. Write Short Notes:

- a) Explain the objective of Financial Accounting. 4
- b) What is incorporation of Joint Stock Company? 4
- c) Revenue Receipts & Revenue expenditure. 4
- d) Loading & Unloading Charges of Consignment. 4
