

Bankim Sardar College

Semester I Examination B.Com Hons./Gen.

Subject: Financial Accounting-I

Answers of each group should be in separate answer-sheet

Group – A (F.M. 10)

Answer any five questions

2X5

1. What is accounting cycle?
2. What do you mean by cash basis accounting?
3. What do you mean by GAAP?
4. What is Ind AS?
5. What do you mean by IFRS?
6. What do you mean by accounting standards?
7. What do you mean by accounting principles?
8. What do you mean by accounting concept?

Group – B (F.M. 80)

Answer any two questions

10X2

1. C of Calcutta sent 100 bicycle to B of Bombay to be sold on consignment basis on 1st January 2020. The cost price of each bicycle was Rs. 800. C incurred Rs. 500 for freight, Rs. 750 for Cooli charges and Rs. 850 for insurance premium.
On 31st December, 2020 C received an Account Sales from B, Which showed that he sold 80 bicycles @ Rs. 1200 each and after deducting his commission and expenses amounting to Rs. 20000, he sent the balance amount by a draft with the account sales. According to contact Mr. B

is entitled to get ordinary commission @ 10% and del credere commission @ 5% on sales proceeds.

Show important ledger accounts in the books of both the parties.

2. There was a fire in the Godown of SPARK Ltd. On 1.7.2020. stock with Rs. 30000 was saved. The goods were insured and fully covered
 - (i) An average gross profit of 20% on sale is maintained by the company.
 - (ii) The stock is valued at 10% above cost.

The purchases and sale for the first 6 months of the year were Rs. 210000 and Rs. 450000 respectively; stock on January 1, 2020 was Rs. 148500. The wages for that period amounted to Rs. 90000.

Find out the cost of the stock burnt.

3. The following is the Trial Balance of Mr. Maniratnam as on 31.12.2019. prepare a Trading and profit & loss Account for the year 2019 and a Balance Sheet as at 31.12.2019 from it:

	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchase	180000	
Salaries less PF	5400	
Opening stock	10000	
Provident fund Remittance including proprietor's contribution 50%	1200	
Rent @ 250 p.m	2750	
Machinery	29000	
Wages	3000	
Furniture & Fittings	5000	
Electricity	550	
Trade Expenses	1500	
Debtors	10500	
Interest on loan	900	
Commission	200	
Buildings	30000	
Sales		205000
Loans (10% Interest)		10000
Capital		55000
Creditors		15000
Drawings	5000	
	285000	285000

On

1.1.2019 machinery Rs. 5000 was sold for Rs. 4000 and this amount was credited to machinery. Wages include Rs. 1000 paid for erection of machinery. Purchases include cost moped Rs. 5000. Proprietor has taken goods costing Rs. 1000 for which no entry has been made. Sundry Debtors include Rs. 500 which had become bad. Provide 10% reserve for bad debts. Electricity outstanding Rs. 50, goods costing Rs. 5000 were destroyed by fire and insurance claim was received for Rs. 4000.

Provide depreciation at 10% on machinery, furniture and moped and at 5% on Buildings. On 31.12.2019 stock was valued at Rs. 12000.

4. From the following particulars obtained from the books of Mr. Rajesh a trader prepare the relative adjustment accounts for the year ended 31st December,2019:

1.1.2019: Opening Balance Rs.30000 up to 31.12.2019 : Credit Sales Rs.90000; Sales Returns Rs.500; Cash received from Debtors – Rs.40000; Bills Receivable Rs.15000; Discount Allowed to Debtors Rs.400; Bad Debts Rs.350; Transfer from another ledger Rs.750; Bill receivable endorsed to suppliers Rs. 1000; Bills receivable discounted Rs.200.

Answer any three questions

20X3

5. V.P. Ltd of Kolkata consigned 10000 kg of ghee costing Rs.200 per kg. to R & Co of Mumbai on 1.1.2019 and paid Rs. 50000 for freight and insurance 250 kg. of Ghee were destroyed on 11.1.2019 in transit for which the Insurance Co. agreed to pay Rs. 40000.

R & Co. sent an Account sales 31.10.2019 in which it reported as-

- a) Sale 7500 kg at Rs. 300 per kg.
- b) Expenses were: warehouse Rent Rs. 32000; Advertisement & Selling Expenses Rs.18000
- c) Commission charged at 5% on sale as per agreement.
- d) Normal Loss due to leakage 250 kg.

R & Co remitted the balance by a Bank Draft along with the account sales.

Show the consignment account.

6. A trader purchased a machine on 1.1.2012 at a cost of Rs.100000. The scrap value of the machine was estimated at Rs. 10000 and its life at 5 years. On 1.1.2014 the machine was sold for Rs.60000 and another machine of the same type was purchased at a cost of Rs.50000 on that day. The scrap value of this machine was estimated at Rs. 6000 and its life at 10 Years. The installation costs of the 1st and 2nd machines were Rs.10000 and Rs.2000 respectively. Show the Machinery Account and Depreciation Account for 2012,2013 and 2014.
7. Metropol Ltd. Acquired a machine for Rs. 600000 on 1.4.2012 Depreciation was to be charged at 20% on straight line method. During 2014-15 a modification was made to improve its technical reliability at a cost of Rs.80000 which it was considered would extend the useful life of the machine for two years. at the same time an important component of the machine was replaced at a cost of Rs.10000 because of excessive wear and tear. Routine maintenance during the said accounting period cost Rs.7500. Show the Machinery Account.

8. There was a fire in the factory of Mr. A on 15.6.2019. It has a insurance policy for stock of Rs.120000 and it saves goods worth Rs.20000. the records saved revealed the following:

Stock (at cost) on 1.1.2018	Rs.120000
Stock (at cost) on 31.12.2018	Rs. 163000
Purchases during 2018	Rs. 1137600
Sales during 2018	Rs. 1420000
Purchase from 1.1.2019 to 15.6.2019	Rs. 366000
Sales from 1.1.2019 to 15.6.2019	Rs. 492000

Sales of 2018 included goods drawn by the proprietor at normal selling price of Rs.20000. During 1.1.2018 Mr.A consigned goods worth Rs. 20000; which were lost in transit. As there was no insurance claim the loss was borne by Mr. A.

Included amongst the purchases of 2018 was Rs.9600; the cost of a machine purchased.

Calculate the amount of Insurance claim.

9. From the Receipt and Payments Account of green park cricket club you are asked to prepare an Income and Expenditure Account for the year ended on 31.12.2019. Receipts and Paymenta Account for the year ended 31.12.2019

Receipt	Rs.	Payments	Rs.
To Balance b/d:		By salaries	2100
Cash in hand	1200	By Equipment	10000
Cash at Bank	3400	By rent	3600
To Subscriptions	24500	By Remuneration to coach	4700
To Entrance fees	3000	By sundry expense	4000
		By Printing & Stationery	800
		By Balance c/d:	
		Cash in hand	1700
		Cash at Bank	4100
	32100		32100

The following information is also available:

	31.12.2018	31.12.2019
Subscription received in advance	1400	2700
Outstanding subscriptions	2100	3200
Outstanding Rent	600	300
Advance Salaries	1200	900
Equipment	18000	23000

60% of the entrance fees is to be capitalized. Interest on savings Bank Account for Rs.280 has not been entered in the cash book.

An old equipment (W.D.V Rs 8000) was exchanged at an agreed price of Rs. 5000 for a new equipment costing Rs.15000.