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BA 172104

BINA CHOWDHURY CENTRAL LIBRARY
(GIMT & GIPS)
Azara, Haikhowapara
Guwahati - 781017

Roll No. of candidate

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23731

2022

BINA CHOWDHURY CENTRAL LIBRARY
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Azara, Haikhowapara,
Guwahati - 781017

M.B.A. 1st Semester End-Term Examination

FINANCIAL ACCOUNTING

(New Regulation & New Syllabus (w.e.f 2017-18))

Full Marks - 70

Time - Three hours

The figures in the margin indicate full marks
for the questions.

Question No. 1 is compulsory and any *four* from the rest.

1. Fill in the blanks :

(10 × 1 = 10)

- (i) According to _____ concept, every business must determine the financial results at the end of a specific period. (Business Entity/Accounting Period).
- (ii) Payment of tuition fee of the proprietor's son is a/an _____ account. (expense/drawings)
- (iii) Typewriter purchased for the use in a business is a _____ account. (Real/Nominal).
- (iv) Statement of Profit and Loss is a _____ statement. (position/ income).
- (v) _____ column of Cash Book may show negative balance. (Cash /Bank).
- (vi) Depreciation is the decrease in the value of fixed assets that is continuous but _____ in nature. (permanent / temporary).
- (vii) According to Personal A/c, Debit means what _____. (comes in/the receiver).
- (viii) In the Journal, the column of _____ is required. (LF/JF).
- (ix) The person from whom we are liable to receive money is a _____. (Debtors/Creditors).
- (x) Financial Accounting records the transactions of _____ nature. (historical/ upcoming).

[Turn over

2. (a) What is accounting information? What are the qualitative characteristics of Accounting Information? (1+4=5)
- (b) Akash Co. Ltd has supplied you the following transactions for the month of February, 2021, you are required to prepare a Triple Column cash books in the books of the organisation- (10)

2021

- Feb.1- Balance of cash in hand Rs. 78,400 and bank showed a negative (overdraft) balance of Rs. 24,600 respectively.
- Feb.3- Purchased a Furniture of Rs. 7,800 and the payment made through bank transfer.
- Feb.8- Purchased goods of Rs. 5,500 from Om Prakash in cash, at a discount of 10%.
- Feb.12- Sold goods to Kaushik of Rs. 9,000 and payment received through cheque, discount allowed 10% on the sale.
- Feb.15- Bought goods on credit from Subhash of Rs. 22,000, allowed a trade discount @ 10% and the payment to be made after 1 month with an agreement.
- Feb.16- Cash paid to Aisha of Rs. 4,750 against the amount due to him of Rs. 4,900 in full settlement of her claim.
- Feb.18- Cheque issued to Subhash for the amount due to him de to the early availability of cash.
- Feb.20- A cheque is received from Mr. Bansal of Rs. 6,200.
- Feb.22- Received a bank transfer from Mr. Saigal as a commission against a consignment of Rs. 3,300.
- Feb.23- Cheque received from M/s Krishna Brothers at a discount of 15% against the amount due from him of Rs. 10,000 in full settlement.
- Feb 24- Cheque of Mr. Bansal is deposited into the bank.
- Feb.25- Cash withdrawn from the bank of Rs. 2,500 and Rs. 3,500 respectively for business use and personal use by the owner.
- Feb.26- Cheque received from Ramanuj is immediately deposited into the bank of Rs. 4,500.
- Feb.27- Bought a Table-Chair of Rs. 5,200 and payment made through cheque Rs. 2,800 and remaining in cash.
- Feb.27- Cash in excess of Rs. 5,000 is deposited into the bank.

3. (a) Define Depreciation. Explain the need for calculating the amount of depreciation. (1+4=5)
- (b) The following information is supplied to you of Vishal Enterprise – On 1st Jan 2019 the owner of Vishal Entp. had purchased a Machine of Rs. 42,000 with an installation charge of Rs. 8,000. It has purchased another second-hand Plant worth Rs. 22,000 and made some modification to it incurring the cost of Rs. 3,000 on 15th Nov, 2020. Both the plants are subject to the same rate of depreciation i.e., 10% p.a. under WDV Method. The business follows calendar year as accounting year.
- On 31st September, 2021 it has sold the plant other than the plant purchased on 15th Nov, 2020, for Rs. 13,500 in cash.
- (i) Show the appropriate working notes and calculate the amount of depreciation and also the profit or loss on sale.
- (ii) Prepare Machinery Account for the three years ending 31st Dec, 2021. (5+5=10)
4. Mr. Abinash has supplied you the following information related to his business for the month of January, 2021.
- (a) Pass journal entries in the books of Mr. Abinash. (7)
- (b) Prepare necessary ledger accounts in the books of Mr Abinash for the month of January, 2021. (8)
- 2021, Jan 01. Started business with a cash of Rs. 72,000 and bank balance of Rs. 22,000 by Subhas.
- Jan 06. Purchased goods for cash Rs. 23,000.
- Jan 12. Purchased goods from Lovita in cash Rs. 6,500 and Rs. 2,200 on credit.
- Jan 17. Sold goods worth Rs. 16,000 payments made Rs. 9,000 in cash and remaining through cheque.
- Jan 20. Sold goods to Suresh of Rs. 10,000.
- Jan 25. Purchased a furniture of Rs. 5,500 through cheque.
- Jan 31. Withdrew Rs. 2,300 for personal use by Mr. Abinash from the business.
5. (a) Write the difference between Straight Line Method and Written Down Value Method of charging depreciation. (5)
- (b) Cipla Limited company has purchased a machine for Rs 38,500 on 1.1.2016 and incurred an additional cost of Rs. 6,500 for installation of the machine in the site. The rate of depreciation is 15 % p.a. The financial year ends on 31st march every year. You are required to calculate the year wise depreciation in columnar form up to 31st March, 2021 under –
- (i) Straight Line Method.
- (ii) Diminishing Balance Method. (5+5=10)

6. (a) Write the difference between Financial Accounting and Cost Accounting. "Cash Book is a journal in ledger form" – Discuss. (5+4=9)
- (b) Explain the legal provisions under the Companies Act, 2013 regarding the preparation and presentation of Financial Statements. (6)

7. The following is the Trial Balance of Abinash Pvt. Ltd. as on 31-03-2021

Particulars	Rs. Dr.	Particulars	Rs. Cr.
Building	1,30,000	Share Capital	
Land	1,90,000	62000 Equity shares of Rs.10 each	6,20,000
Purchases	4,40,000	General Reserve	55,000
Manufacturing Expenses	2,10,000	Unclaimed Dividend	12,000
Establishment	45,000	Trade Creditors	18,000
General Charges	35,000	Sales	12,20,000
Machinery	55,000	6% Debentures	30,000
Motor Vehicles	20,000	Interest	24,000
Furniture	50,000	Staff Provident Fund	21,000
Inventory on 1.4.2020	1,30,000		
Investments	2,70,000		
Book Debts	2,70,000		
Cash Balance	1,00,000		
Directors' Fees	10,000		
Interim Dividend	22,000		
Donation	23,000		
	<u>20,00,000</u>		<u>20,00,000</u>

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Adjustments

- (a) Inventory of finished products at the end of the year was valued at Rs 2,00,000.
- (b) Provide depreciation on furniture @ 5% and on machinery @ 15%.
- (c) Rate of tax applicable is 30%.
- (d) Interest accrued on Investment Rs 3,000.

You are required to –

- (i) Prepare a Statement of Profit and Loss for the year ended on 31-03-2021. (7)
- (ii) Prepare a Balance Sheet as on 31-03-2021 as per the schedule prescribed under the Companies Act, 2013. (8)