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BA 172104

GUWAHATI CENTRAL LIBRARY

(GIMT & GIPS)

Azara, Hatkhowapara,

Guwahati - 781017

Roll No. of candidate

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10/3/2021

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

FINANCIAL ACCOUNTING

(New Regulation & New Syllabus w.e.f. 2017-2018)

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)
- (a) According to _____ concept, every transaction must have a debit effect against a corresponding credit effect of equal value. (Business Entity / Dual Aspect).
- (b) Payment of electricity bill of the proprietor's residential building _____ account. (expense / drawings)
- (c) Capital is a _____ account. (Personal / Nominal).
- (d) Balance Sheet is a _____ statement. (position / income)
- (e) Cash column of Cash Book never shows opening _____ balance. (credit / debit).
- (f) Depreciation is the decrease in the value of _____. (Fixed Assets / Current Assets)
- (g) According to Nominal A/c, Debit means what _____. (comes in / all losses and expenses)
- (h) It is not compulsory to make balancing in _____ (ledger / journal).
- (i) The person to whom we are liable to pay money is a _____ (Debtors / Creditors)
- (j) Financial Accounting records the transactions of _____ nature. (historical / upcoming)

[Turn over

2. (a) What is accounting information? Who are the users of accounting information? (1 + 4 = 5)

(b) Supratim Co. Ltd. has supplied you the following transactions for the month of February, 2020, you are required to prepare a Triple Column cash books in the books of the organisation. (10)

2020

- Feb. 1 - Balance of cash in hand and at bank Rs. 85,000 and Rs. 54,000 respectively.
- Feb. 4 - Purchased a Typewriter of Rs. 10,000 and the payment made through bank transfer.
- Feb. 8 - Purchased goods of Rs. 6,000 from Gauri in cash, at a discount of 10%.
- Feb. 11 - Sold goods to Shankar of Rs. 10,000 and payment received through cheque, discount allowed 10% on the sale.
- Feb. 14 - Bought goods on credit from Rupam of Rs. 25,000, allowed a trade discount @ 10% and the payment to be made after 1 month with an agreement.
- Feb. 16 - Cash paid to Murli of Rs. 4,550 against the amount due to him of Rs. 4,800 in full settlement of his claim.
- Feb. 18 - Cheque issued to Rupam for the amount due to him due to the early availability of cash.
- Feb. 20 - A cheque is received from Mr. Kushal of Rs. 6,500.
- Feb. 21 - Received a bank transfer from Mr. Prakash as a commission against a consignment of Rs. 3500.
- Feb. 23 - Cheque received from M/s. Lalit Brothers at a discount of 20% against the amount due from him of Rs. 9,000 in full settlement.
- Feb. 24 - Cheque of 20th February is deposited into the bank.
- Feb. 25 - Cash withdrawn from the bank for business use of Rs. 2,500 and Rs. 3,500 for personal use by the Owner.
- Feb. 26 - Cheque received from Rajaram is immediately deposited into the bank out of 4500.
- Feb. 27 - Bought a Revolving Chair of Rs. 5,000 and payment made through cheque Rs. 2,800 and remaining in cash.
- Feb. 29 - Cash in excess of Rs. 4,000 is deposited into the bank.

3. (a) Define Depreciation. Explain the factors determining the amount of depreciation. (1 + 4 = 5)

(b) The following information is supplied to you of Amarjyoti Enterprise -

On 1 Jan. 2018 the owner of Amarjyoti Entp. had purchased a Plant of Rs. 45,000 with an installation charge of Rs. 3,000. It has purchased another second-hand Plant worth Rs. 25,000 and made some modification to it incurring the cost of Rs. 5,000 on 15th Oct. 2019. Both the plants are subject to the same rate of depreciation i.e., 10% pa. under WDV Method. The business follows calendar year as accounting year.

On 31st August, 2020 it has sold the plant other than the plant purchased on 15th Oct, 2019, for Ps 15000 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, 2020. (5 + 5 = 10)

4. Mr. Subhas 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. Subhas. (7)
- (b) Prepare necessary ledger accounts in the books of Mr Subhas for the month of January 2021. (8)

2021, Jan 01. Started business with a cash of Rs. 80,000 and bank balance of Rs. 20,000 by Subhas.

Jan 05. Purchased goods for cash Rs. 24,000.

Jan 13. Purchased goods from Kavita in cash Rs. 7,000 and Rs. 2,000 on credit.

Jan 17. Sold goods worth Rs. 15,000 payment made Rs. 8,000 in cash and remaining through cheque.

Jan 19. Sold goods to Mohan Rs. 11,000.

Jan 25. Purchased a furniture Rs. 6,000 through cheque.

Jan 31. Withdrew Rs. 2,000 for personal use by Mr. Subhash from the business.

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5. (a) Discuss the types of accounts classified under traditional and modern approach with suitable examples. (5)

(b) ABC Limited company has purchased a machine for Rs. 35,000 on 1.1.2015 and incurred an additional cost of Rs. 5,000 for installation of the machine in the site. The rate of depreciation is 15 % pa. 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, 2020 under

(i) Straight Line Method

(ii) Diminishing Balance Method. (5 + 5 = 10)

6. (a) Write the difference between Cash Book and a pass Book. Explain the different types of accounts classified under Traditional and Modern Approach. (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 31.03.2020

Particulars	Amount Rs. (Dr.)	Particulars	Amount Rs. (Cr.)
Building	1,20,000	Share Capital	
Land	2,00,000	60000 Equity shares of	
Purchases	4,60,000	Rs. 10 each	6,25,000
Manufacturing Expenses	1,90,000	General Reserve	50,000
Establishment	45,000	Unclaimed Dividend	10,000
General Charges	40,000	Trade Creditors	20,000
Machinery	50,000	Sales	12,00,000
Motor Vehicles	20,000	6% Debentures	50,000
Furniture	50,000	Interest	25,000
Inventory on 1.4.2019	1,40,000	Staff Provident Fund	20,000
Investments	2,60,000		
Book Debts	2,70,000		
Cash Balance	1,00,000		
Directors' Fees	10,000		
Interim Dividend	25,000		
Donation	20,000		
	<u>20,00,000</u>		<u>20,00,000</u>

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Adjustments :

- Inventory of finished products at the end of the year was valued at Rs. 2,10,000.
- Provide depreciation on furniture @10% and on machinery @20%.
- Rate of tax applicable is 30%.
- The contribution to the Staff Provident Fund is Rs 5000.
- Interest accrued on Investment Ps 2100.

You are required to :

- Prepare a Statement of Profit and Loss for the year ended on 31.03.2020. (7)
- Prepare a Balance Sheet as on 31.03.2020 as per the schedule prescribed under the Companies Act, 2013. (8)