

Adjustments:

- (a) The closing stock on 31-12-81 was Rs. 4,200.
 - (b) Write off Rs. 80 as bad debts and create a reserve for bad debts at 5% on sundry debtors.
 - (c) Three months rent is outstanding.
20. Find out purchases and sales from the following details by making necessary accounts.

	Rs.
Opening balance of debtors	30,000
Opening balance of creditors	10,000
Collections from debtors	1,60,000
Discount received	2,500
Bad debts	1,000
Payment to creditors	14,000
Discount allowed	1,500
Returns inwards	2,000
Returns outwards	3,000
Cash purchases	6,000
Cash sales	10,000
Closing balance of debtors	35,000
Closing balance of creditors	15,000



NOVEMBER/DECEMBER 2018

BAIM12B — FINANCIAL ACCOUNTING – I

Time : Three hours

Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer ALL the questions.

1. Define Financial Accounting.
2. What is Self Balancing Ledger?
3. What is Machine Hour Rate?
4. What is Revaluation Account?
5. Define Account Due Date.
6. What is Loss of profit?
7. What is Profit and Loss Account?
8. What is Revenue Expenditure?
9. Define Single Entry?
10. What is Conversion Method?

SECTION B — (5 × 5 = 25 marks)

Answer ALL the questions.

11. (a) Explain the need for concept and convention.

Or

- (b) Prepare the sales ledger adjustment account from the following information relating to the year ended 31.12.91.

	Rs.
Opening balance of debtors	40,000
Sales (for cash of Rs. 10,000)	90,000
Cash received from debtors	80,000
Discount allowed to debtors	500
Bills receivable received from debtors	3,000
Sales returns	8,000
Bills Receivable dishonoured	500
Bad debts	1,000
Transfer to purchase ledger	2,000
Reserve for doubtful debts	1,500
Bad debts of last year received	1,000

12. (a) What are the methods of recording Depreciations?

Or

- (b) A Firm purchases a 5 years lease for Rs. 80,000 on 1st January. It decides to write off depreciation on the Annuity method, presuming the rate of interest to be 5% per annum. The annuity tables show that a sum of Rs. 18,478 should be written off every year. Show the lease account for five years. Calculations are to be made the nearest rupee.

13. (a) Compute Net interest to be credited under Daily balance method from the following data :

Interest on debit balances : 15%

Interest on credit balances : 12%

Total of Products debit : 1,08,000

Credit : 31,46,000

Or

- (b) R owes S the following sums of money due from him on the dates stated :

Rs. 300 due on March 9, 1993.

Rs. 1,000 due on April 2, 1993.

Rs. 4,000 due on April 30, 1993.

Rs. 100 due on June 1, 1993.

He wants to make the complete payment on 30-06-93. Calculate interest at 5% p.a. with help of average due date method.

14. (a) Ascertain cost of goods sold from the following :

	Rs.
Opening stock	17,000
Purchases	63,400
Direct expenses	9,600
Indirect expenses	10,400
Closing stock	18,000

Or

- (b) From the information given below prepare Trading account.

	Rs.
Opening stock	1,00,000
Purchases	1,50,000
Purchase Return	25,000
Direct Expenses	10,000
Carriage inwards	5,000
Sales	4,00,000
Closing stock	50,000

15. (a) Explain the various limitations of single Entry system.

Or

- (b) From the following particulars find out Net credit purchases :

	Rs.
Opening balance of sundry creditors	40,000
Payment by cheques	2,35,000
Payment by bills payable	25,000
Payment in cash	5,000
Discount received	2,500
Purchase returns	5,000
Closing balance of sundry creditors	47,500

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. Explain various accounting concepts briefly.
17. A second hand machine was purchased on 1.1.90 for 40,000. Overhauling and installation expenses for the same machine amounted to Rs. 10,000. Another machine was purchased on 1.7.90 for Rs. 20,000.

On 1.7.92 the machine installed on 1.1.90 was sold for Rs. 25,000. Dismantling charges for the machine sold on 1.7.92 were Rs. 1,000. On the same date another machine was purchased for Rs. 80,000 and commissioned on 30.9.92. The company has adopted calendar year as its financial year. Under the existing practice, the company provides depreciation @ 10% p.a. on original cost. In 1993 it has been decided that depreciation will be charged on the diminishing balance @ 15% p.a. the change is not to be made with retrospective effect. Show Machinery A/c from 1990 to 1994.

18. A fire occurred in the premises of X Ltd. on 10.10.91. All stocks were destroyed except to the extent of Rs. 6,200. From the following figures ascertain the loss of stock suffered by the company.

	Rs.
Stock	40,000
Purchases during 1990	1,45,000
Sales during 1990	2,00,000
Stock on 31.12.90	25,000
Purchases during 1991 upto the date of fire	1,52,200
Sales during 1991 upto date of fire	1,89,000

19. From the following Trail Balance, prepare Trading, Profit and Loss A/c for the year ended 31-12-1981 and balance sheets as on that date :

	Rs.		Rs.
Purchases	11,870	Capital	8,000
Debtors	7,580	Bad debts recovered	250
Return inwards	450	Creditors	1,250
Bank deposit	2,750	Returns outwards	350
Rent	360	Bank overdrafts	1,570
Salaries	850	Sales	14,690
Travelling expenses	300	Bills Payable	1,350
Cash	210		
Stock	2,450		
Discount allowed	40		
Drawings	600		
	<u>27,460</u>		<u>27,460</u>