

Roll No.

Total No. of Pages : 03

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B.Com. (Sem.-1st)
FINANCIAL ACCOUNTING
Subject Code : BCOP-101 (2011 Batch)
Paper ID : [B1101]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY.
2. Attempt any FOUR questions from SECTION-B.

SECTION-A**(10 × 2 = 20 Marks)**

1. Write short notes on :
 - (a) Book Keeping
 - (b) Debtors
 - (c) Accounting Equation
 - (d) Promissory Notes
 - (e) Accounting Cycle
 - (f) Drawings
 - (g) Error of Commission
 - (h) Reserves
 - (i) Red Ink Interest
 - (j) Contra Entries

SECTION-B**(4 × 10 = 40 Marks)**

2. What do you mean by accountancy? Differentiate between book keeping and accounting. (10)
3. What do you mean by accounting principles? Discuss in brief all accounting concepts and conventions. (10)
4. You are presented with a Trial Balance of Mr. Saxena on March 31, 2012, showing the credit excess by Rs. 415, which has been carried to Suspense Account. On a close scrutiny of the books, the following errors were revealed :
 - (a) A cheque of Rs. 3456 received from Shankar, after allowing him a discount of Rs. 46 was endorsed to Sharma in full settlement for Rs. 3500. The cheque was finally dishonoured but no entries were passed in the books.

- (b) Goods of the value of Rs. 230 returned by Swaminath were entered in the Purchase Day book and posted therefrom to Swaika as Rs. 320.
- (c) Bad Debts aggregating Rs. 505 were written off during the year in the sales ledger but were not recorded in the General Ledger.
- (d) Bills for Rs. 750 received from Sureka for repairs done to machinery was entered in the inward invoice book as Rs. 650.
- (e) Goods worth Rs. 1234 purchased from Saraf on March 28, 2012 have been entered in the Purchase book and credited to him but were not delivered till April 2, 2012 stock being taken by the purchaser on March 31, 2012. The title of the goods was however passed on March 28, 2012.
- (f) Rs. 79 paid for freight on Machinery was debited to Freight Account as Rs. 97.

You are required to pass the necessary Journal entries for correcting the above. (10)

5. The following is the Trial Balance of Mr. X as on March 31, 2012. (10)

| Particulars | Debit Amount (in Rs.) | Credit Amount (in Rs.) |
|------------------|--------------------------|---------------------------|
| Cash in Hand | 540 | |
| Cash at Bank | 2630 | |
| Purchases | 40675 | |
| Returns Inward | 680 | |
| Wages | 10480 | |
| Fuel and Power | 4730 | |
| Carriage Outward | 3200 | |
| Carriage Inward | 2040 | |
| Opening Stock | 5760 | |
| Premises | 30000 | |
| Land | 10000 | |
| Machinery | 20000 | |
| Patents | 7500 | |
| Salaries | 15000 | |
| Sundry Expenses | 3000 | |
| Insurance | 600 | |
| Drawings | 5245 | |
| Debtors | 14500 | |
| Sales | | 98780 |
| Returns Outwards | | 500 |
| Capital | | 71000 |
| Creditors | | 6300 |
| Total | 176580 | 176580 |

Take into consideration the following adjustments, prepare Trading and Profit and Loss Account and a Balance Sheet as on March 31, 2012.

- (a) Closing stock as on March 31, 2012 was Rs. 5800.
- (b) Depreciate Machinery and Patents by 10% and 20% respectively.
- (c) The Insurance Policy will expire on September 30, 2012.
- (d) Rs. 2000 is to be transferred to Reserve Fund.
- (e) Rs. 2000 spent on erection of a shed were included in wages account.

6. S.K. Surekha had the following transactions with T.L. Raisena :

| Date | | Rs. | Date | | Rs. |
|----------|-----------------------------------|-------|----------|--|-------|
| Jan. 1 | Balance due from Raisena | 1000 | June 16 | Purchased goods from him (received on July 16) | 15000 |
| Feb. 16 | Purchased goods from him | 6000 | Sept. 23 | Paid him cash | 3000 |
| Feb. 28 | Sold goods to him | 10000 | Oct. 24 | Accepted his bills for 3 months | 5000 |
| Mar. 16 | Received a cheque | 3000 | Nov. 26 | Received his acceptance for 2 months | 8000 |
| April 20 | Sold him goods (Invoice on May 3) | 10000 | | | |

You are asked to prepare an Account current, with necessary columns of T.L. Raisena completed upto December 31, 2011 as will appear in the books of Surekha reckoning 5% interest on the balance due. (10)

7. It is said that in a system of sectional balancing, errors are easily and quickly located. Is it correct? If so, how is it made possible ? (10)