

**B.Com.-I (Accounting and Finance) Semester-I Examination**  
**COMMERCE**  
**Financial Accounting-I**

Time : Three Hours]

[Maximum Marks : 80

Note :—Attempt all questions.

**SECTION-A**

Note.:— Write the answer of the following questions by choosing the correct alternative from those given below :

1. Book keeping is a \_\_\_\_\_ science.  
(a) Natural (b) Pure  
(c) Physical (d) Social
2. According to \_\_\_\_\_ concept business shall go on for a long time.  
(a) Going concern (b) Consistency  
(c) Materiality (d) Dual aspect
3. Goodwill is a/an \_\_\_\_\_.  
(a) Liquid asset (b) Fictitious asset  
(c) Current asset (d) Intangible asset
4. The work of accounting depends upon \_\_\_\_\_.  
(a) Ledger (b) Subsidiary books  
(c) Cash book (d) Book-Keeping
5. The triple column cash book includes \_\_\_\_\_.  
(a) Cash (b) Bank  
(c) Discount (d) All of the above
6. When the goods are returned to the creditor, the entry is done in \_\_\_\_\_.  
(a) Purchase Return Book (b) Sales Return Book  
(c) Bills Receivables Book (d) Bills Payable Book
7. Profit and Loss functions on the \_\_\_\_\_ account principles.  
(a) Personal (b) Real  
(c) Nominal (d) Notional

8. Credit purchases of goods are recorded in:
  - (a) Purchase book
  - (b) Sales book
  - (c) Purchase return book
  - (d) Journal proper
9. Closing Stock is entered in \_\_\_\_\_.
  - (a) Trading A/c
  - (b) Balance Sheet
  - (c) Both (a) and (b)
  - (d) None of these
10. Excess of expenses over income is called :
  - (a) Profit
  - (b) Asset
  - (c) Loss
  - (d) Liability
11. When the company has production and trading activity, it prepares \_\_\_\_\_.
  - (a) Only Manufacturing A/c
  - (b) Only Trading A/c
  - (c) (a) and (b) both
  - (d) None of the above
12. Sales account always shows \_\_\_\_\_ balance.
  - (a) Debit
  - (b) Credit
  - (c) Adverse
  - (d) Specific
13. The buyer has option to return the goods in case of \_\_\_\_\_.
  - (a) Installment purchase
  - (b) Hire purchase
  - (c) Both (a) and (b)
  - (d) None of these
14. The depreciation in the books of buyer is charged on \_\_\_\_\_.
  - (a) Hire purchase price
  - (b) The cash price
  - (c) Total cash price
  - (d) Total hire purchase price
15. The amount paid by hire purchaser at the time of delivery is \_\_\_\_\_.
  - (a) Cash payment
  - (b) Installment
  - (c) Down payment
  - (d) None of these
16. Under installment system the risk of loss is borne by \_\_\_\_\_.
  - (a) Hirer
  - (b) Hire vendor
  - (c) Debtor
  - (d) Buyer
17. Bank reconciliation statement is \_\_\_\_\_.
  - (a) Part of bank statement
  - (b) Part of cash statement
  - (c) A separate statement
  - (d) A sub division of journal



2. Write a short note on Debit Note and Credit Note.

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**OR**

From the following particulars prepare a Cash Book of Sagar.

	<b>Rs.</b>
<b>Jan. 1</b> Balance in hand	10,000
3 Purchase goods for cash	7,000
7 Further capital introduced	12,000
10 Spent for private use	5,000
15 Cash sales made	1,000
20 Received from Pooja	7,000
26 Paid to Tejaswini	7,000
31 Received rent from Khushi	2,000

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3. Prepare 'Profit and Loss' A/c for the year ended 31<sup>st</sup> March 2018 with the help of following balances :

	<b>Rs.</b>
Gross Profit	5,400
Salary	2,500
Interest paid	200
Rent paid	350
Commission paid	190
Discount (Cr.)	250
Carriage outward	400
Indirect Wages	50
Furniture	1,200

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**OR**

Prepare a 'Balance Sheet' as on 31<sup>st</sup> March 2018 with the help of the following information.

Capital	40,000
Bank Balance	6,000
Creditors	20,000
Bills Payable	14,000

Unpaid expenses	2,000	
Building	50,000	
Bank overdraft	12,000	
Machinery	20,000	
Cash in hand	4,000	
Furniture	10,000	
Net Profit	2,000	4

4. Limitation of Hire Purchase Charges — Explain. 4

**OR**

On 1<sup>st</sup> Jan 2018, a manufacturing company buys on hire-purchase system a machinery for Rs. 60,000 payable by three equal annual installments combining principal and interest, the rate of interest was 5% p.a.

Calculate the amount of Cash Selling Price and interest. The present values of an annuity of one rupee for three years @ 5% is Rs. 2.72325. 4

5. Explain relationship of Cash Book and Pass Book. 4

**OR**

From the following particulars prepare Bank Reconciliation Statement as on 30<sup>th</sup> June 2018 :

- (1) Balance as per pass book (O.D) Rs. 620
- (2) Cheque issued but not presented for payment Rs. 600
- (3) Cheques deposited but not collected Rs. 750
- (4) Cheques deposited but dishonored Rs. 150
- (5) Bank credited Rs. 500 amount of bills receivable in the account of businessman
- (6) Bank charged Rs. 15 for bank charges and Rs. 85 for interest on bank overdraft but not entered in cash book. 4

**SECTION-C**

1. Pass the necessary journal entries for the following transactions in the books of Shreya Ltd.

- Jan. 2018**
- 1 Purchased the goods for cash Rs. 15,000
  - 2 Purchased the goods from 'K' Rs. 30,000
  - 3 Purchased the goods from 'P' Rs. 40,000 against a current dated cheque
  - 4 Purchased the goods from 'R' of the list price of Rs. 50,000 @ a trade discount of 10%

- 5 Purchased the goods of list price of Rs. 1,50,000 from 'S' @ a trade discount of 15% and a cash discount of 5% and the balance amount is paid by a cheque
- 6 Returned the goods to K of Rs. 3,000
- 8 Rejected and returned 20% of the goods supplied by 'R'.
- 9 Paid to 'K' Rs. 25,000 and received a discount of Rs. 2,000
- 11 Sold the goods to Gowtham of the list price of Rs. 1,00,000 @ a trade discount of 10% and received a current dated cheque for 50% of the amount after allowing a cash discount of 1%
- 12 Paid to 'R' Rs. 35,000 in full settlement of his accounts. 8

**OR**

Differentiate between Double Entry System and Single Entry System. 8

2. Enter the following transactions in the Purchase Return Book and post them to the ledger.

<b>2018</b>	<b>Rs.</b>	
Sept 1 Returned goods to Sudhir Bros.	150	
10 Randhir & Co. received goods returned by us	50	
15 Returned goods to General Stores as they were defective	75	8

**OR**

Write a note on subsidiary books. 8

3. From the following balances, prepare Trading and Profit and Loss A/c of Mr. Soni for the year ended 31<sup>st</sup> March 2018 :

	<b>Rs.</b>
Opening Stock	4,000
Purchase	16,000
Octroi	150
Wages	525
Salary	800
Office expenses	375
Purchase return	800
Sales return	500
Sales	25,000
Repairs	400

Interest Received	300
Carriage	200
Depreciation	1,000
Closing Stock	5,700

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**OR**

From the following Trial Balance, prepare Final Accounts :

**Trial Balance**

(As on 31<sup>st</sup> March 2018)

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Sundry Debtors	5,400	Capital	20,000
Drawing	1,800	Sundry Creditors	2,800
Machinery	7,000	Sales	29,000
Wages	10,000		
Purchases	19,000		
Opening Stock	4,000		
Bank Balance	3,000		
Carriage	300		
Salaries	400		
Rent and Taxes	900		
	<b>51,800</b>		<b>51,800</b>

Additional information :

- (i) Closing Stock Rs. 1200
- (ii) Outstanding Rent and Taxes Rs. 100
- (iii) Charge depreciation on machinery 10%
- (iv) Wages prepaid Rs. 400.

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4. Shri. Co. Ltd. agreed to purchase Wagons on the hire purchase system from Bhartiya Constructions Ltd. for Rs. 20,000, Rs. 8,000 were paid when wagons were acquired on 1<sup>st</sup> Jan 2015 and the balance was to be paid by three annual installments of Rs. 4,000 each plus interest @ 10%. Open Machinery A/c, assuming that it depreciates the wagons each year by 10%.

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**OR**

A machine was sold on hire purchase system on 1<sup>st</sup> Jan 2018, Rs. 10,000 was paid @ spot and rest was paid by four equal quarterly installments of Rs. 22,000 each. The Cash price of machine was Rs. 90,000. Find out the amount of interest included in each installment.

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5. Explain the characteristics of Bank Reconciliation Statement with the help of its advantages.

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**OR**

Prepare Bank Reconciliation Statement from the following as on 31<sup>st</sup> March 2018 :

- (i) Bank balance as per Cash Book Rs. 5,750
- (ii) Cheques deposited for Rs. 480 on 25<sup>th</sup> March were presented for payment on 2<sup>nd</sup> April.
- (iii) Cheques issued for Rs. 600 on 20<sup>th</sup> March were presented for payment on 2<sup>nd</sup> April.
- (iv) A customer directly deposited Rs. 500 in our bank account, the information was received in the month of April.

(v) Bank paid Rs. 270 as house tax.

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