

C.U.SHAH UNIVERSITY

Winter Examination-2015

Subject Name : Financial Accounting

Subject Code : 4MS02FAC1/4MSO2FAC5

Branch :BBA/MAM

Semester : 2 Date : 23/11/2015 Time : 10:30 To 1:30

Marks :70

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
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Q-1

(14)

- 1) Which of the following are interested in accounts?
 - a) Proprietors
 - b) Creditors
 - c) Employees
 - d) All of the above
- 2) Goods sold to Mr. Mahesh for Rs10000 is...
 - a) Cash transaction
 - b) Credit transaction
 - c) Exchange transaction
 - d) None of the above
- 3) Journal is a book of...
 - a) Original entry
 - b) Final entry
 - c) Personal record
 - d) Incomplete record
- 4) What is the importance of ledger account?
 - a) Capital can be known easily
 - b) Trial balance can be prepared
 - c) Total receivables can be determined
 - d) All of the above
- 5) A credit note is issued by...
 - a) Customer
 - b) Supplier
 - c) Government
 - d) Sales-tax dept.
- 6) Debit balance in cash book means....
 - a) Cash balance
 - b) Bank overdraft
 - c) Loan
 - d) Liability
- 7) What will be the value of closing stock if current value is Rs 33000 which is 10% more than the cost price?
 - a) Rs. 36300
 - b) Rs. 30000
 - c) Rs. 33300
 - d) Rs. 32400
- 8) Credit balance of profit and loss account is....
 - a) Gross profit
 - b) Gross loss
 - c) Net profit
 - d) Net loss
- 9) Errors of principle will not effect...
 - a) Ledger accounts
 - b) Trial balance
 - c) Companies' profit
 - d) All of above



Bills payable a/c	2570000
Furniture a/c	125000
Salary a/c	234000
Stationary a/c	75500
R & sons a/c (Cr)	125000
Cash a/c	68500

Q-6

Prepare final accounts of XYZ from the Trial-Balance and additional information given below for the year ended of 31/03/2015

(14)

Trial Balance as on 31/03/2015

Debit Balance		Credit Balance	
Opening stock	8000	Capital	120000
Drawings	5000	Sales	85000
Purchases	40000	Bills payable	1600
Wages	1850	Purchase return	2600
Stationary	2500	Goods given as samples	2000
Rent	1000	Commission	4000
Goodwill	25000	Creditors	10000
Debtors	20000	Interest	1300
Sales returns	1600	Goods taken for personal use	2400
Salaries	6000	Dividend	1500
Bad debt	2000	Discount	800
Carriage inward	500		
Cash on hand	1550		
Building	80000		
Bills receivable	3000		
Investments	10000		
Discount	700		
Carriage outward	1500		
Bank balance	13000		
Furniture	5000		
Advertisement	3000		
Total	231200		231200

Additional information

- 1) The value of closing stock is Rs. 20000 but its market value is 10% less
- 2) Write of bad debt of Rs. 1000
- 3) Depreciate building by 10% and furniture by 5% for the year
- 4) Outstanding dividend on investments is Rs. 800
- 5) Unpaid salaries are Rs. 2000
- 6) Rent of Rs 400 is paid in advance
- 7) Interest received in advance is Rs. 600
- 8) Calculate 12% interest on capital and 14% on drawings



Q-7

From the following transactions of Shree Shreyansh prepare a bank reconciliation statement

(14)

- 1 Bank balance as per passbook on 31/03/2015 is Rs. 22400
- 2 Cheques of Rs 10600 are issued but cheques of Rs. 4000 were not presented
- 3 Cheques for Rs. 8000 were deposited in the bank out of which cheques of Rs. 5260 were credited in the passbook
- 4 Bank paid Rs 1850 on behalf of Shreyansh for bills payable which is not recorded in the passbook
- 5 Cheque of Rs 2700 given to Mr. A is not recorded in the cashbook
- 6 Cheque of Rs.3320 is received from Mr. B which is recorded in the cashbook but not sent for collection to the bank
- 7 Bank charges Rs. 150 are recorded twice in the cashbook
- 8 Bank collected interest on investment Rs. 925 and credited in passbook but the same is not recorded in cashbook
- 9 Mr. C deposited Rs. 1500 directly in the account of Shree Shreyansh about which Mr. Shreyansh has no information
- 10 Interest Rs. 300 is credited by the bank which is not recorded in cashbook

Q-8 (A)

Write note on “ Types of errors”

(7)

(B)

Explain the usefulness of Accounting Standards

(7)

