# C.U.SHAH UNIVERSITY <br> Winter Examination-2015 

## Subject Name : Financial Accounting

Subject Code : 4MS02FAC1/4MSO2FAC5

## Branch :BBA/MAM

Marks :70

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

## Q-1

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
a) 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
b) 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
10) Salary paid is un recorded. By rectification the profit will...
a) Increase
b) Decrease
c) Not be changed
d) None of above
11) Out of the following which has a credit balance in the books a firm?
a) Interest on loan taken
b) Interest on capital
c) Interest on drawings
d) Interest on partner's Loan
12) Debit balance as per passbook means...
a) Bank overdraft
b) Bank balance
c) Subsidy
d) None of above
13) $\qquad$ is a copy of traders accounts in the books of a bank.
a) Passbook
b) Cheque book
c) Cashbook
d) Journal book
14) $\qquad$ is a fixed asset.
a) Trademark
b) Land
c) Creditors
d) Stock

## Attempt any four questions from Q-2 to Q-8.

Q-2 A) Describe the advantages of accounting
B) Name any 7 accounting concepts and explain any 2 concepts in detail

Q-3 A) Explain the difference between Bookkeeping and Accounting
B) Explain the difference between Cash and Credit transactions.

Q-4 A) Prepare a purchase book containing 7 imaginary transactions with figures
B) Prepare a sales book containing 7 imaginary transactions with figures

Q-5 A) Journalize the following transactions in the books of Mr. ABC
August 2015
1 He started business with Rs. 20000 cash
3 Purchased goods for Rs. 3000
6 Sold goods of Rs. 2000 to MR. RAMESH
8 Sold goods for Rs. 1500
10 Purchased goods of Rs. 2000 from Mr.SAMIR
12 Received an order to supply goods worth Rs. 5000 from MR.PARESH
13 Cash purchase of Rs. 800 and cash sales of Rs. 1000
(B) Prepare a Trial Balance from the following balances as on 31/03/2015

| Capital a/c | 105000 |
| :--- | :---: |
| Purchase a/c | 5721000 |
| Sales a/c | 4964500 |
| Returns outward a/c | 50500 |
| Returns inward a/c | 45500 |
| Debtors a/c | 3129500 |
| Creditors a/c | 2659000 |
| Bills receivable a/c | 1075000 |



| 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 $31 / 03 / 2015$

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 |  |
| Salaries | 6000 | use | 2400 |
| Bed debt | 2000 | Dividend | 1500 |
| Carriage inward | 500 | Discount | 800 |
| 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 |  |  |

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


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

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"
(B) Explain the usefulness of Accounting Standards


