

C.U.SHAH UNIVERSITY

Summer Examination-2017

Subject Name: Financial Accounting

Subject Code: 4MS02FAC1

Branch: BBA

Semester: 2

Date: 12/05/2017

Time: 02:00 To 05:00

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.

Q-1	Attempt the following questions:	(14)
	a) Explain the term capital and debtors	1
	b) State the type of account (1) Salary and (2) Outstanding salary	1
	c) Prepare the accounting equation of below transaction Purchased goods for cash Rs.5000	1
	d) What is meant by narration?	1
	e) State the specimen of ledger	1
	f) State any two types of transactions recorded in purchase book	1
	g) Name three columns of cash book	1
	h) What is meant by contra transaction?	1
	i) What is meant by suspense account?	1
	j) What is meant by trial balance?	1
	k) State two effects for the adjustment of - closing stock	1
	l) Name accounting standard 2	1
	m) Why bank reconciliation statement is prepared?	1
	n) State the rule of real account	1

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

Q-2	Attempt all questions	(14)
	a) How accounting information is useful to different types of users?	7
	b) Name accounting concepts and explain any two concepts in detail	7
Q-3	Attempt all questions	(14)
	a) Explain various errors affecting trial balance	7
	b) State the reasons for disagreement between bank balance as per cash book and bank passbook	7
Q-4	Attempt all questions	(14)
	a) Explain 'Disclosure of accounting policies' - accounting standard 1 in detail	7
	b) State advantages of subsidiary books and state the difference between ledger and subsidiary books	7



- Q-5** **Attempt all questions** (14)
- a Prepare sales book from below information 7
1. Sold goods Rs. 5000 @ 10% TD
 2. Sold goods to Mr. X Rs. 10000
 3. Sold goods to Mr. Y for cash Rs. 4000
 4. Sold furniture to Mr. Z Rs. 7000
 5. Sold goods on sale or return basis to Mr. A Rs. 3000
 6. Mr. B Received goods on credit from us Rs. 5000 @ 5% T.D & 3% C.D
 7. We sold goods to Mr. C of Rs. 2000 he paid us half the amount
- b Find out depreciation by Straight line method (SLM) and Sum of year digit method (SYD) for the first year & Km. Method if total Km. run during 1st year is 30,000 from the below information 7
- Cost of Truck Rs. 7,00,000
Scrap value at the end of useful life of 5 years & 90,000 Kms. is Rs. 1,00,000
Accessories and its installation charges at the time of purchase Rs. 1,50,000
- Q-6** **Attempt all questions** (14)
- a Find out value of closing stock from below information by Periodic - FIFO & LIFO method. 7
- | Date | Particulars | Units | Rate |
|---------|---------------|-------|------|
| 1-1-17 | Opening stock | 500 | 8 |
| 2-1-17 | Purchase | 3000 | 9 |
| 4-1-17 | Sold | 900 | - |
| 7-1-17 | Purchase | 1700 | 10 |
| 8-1-17 | Sold | 1900 | - |
| 10-1-17 | Purchase | 700 | 12 |
- b Prepare three columnar cash book from below information 7
- | Sr. No | Particulars |
|--------|---|
| 1 | Opening cash & bank balance respectively Rs 50,000 & Rs. 30,000 |
| 2 | Deposited into bank Rs. 5,000 |
| 3 | Sold goods for cash Rs. 10,000 at 3% C.D |
| 4 | Purchased goods of Rs. 8,000 from Mr. X paid by cheque Rs. 7,750 in full settlement |
| 5 | Withdraw Rs. 6,000 for house hold expenses |
| 6 | Paid salary Rs. 4,000 by cheque |
| 7 | Sold furniture for cash Rs. 2,000 |
- Q-7** **Attempt all questions** (14)
- Pass necessary journal entries in the books of Mr. A and post them into ledger 14
1. He starts business with Rs. 2,00,000
 2. He purchases goods of Rs. 40,000
 3. He sales goods to Mr. B Rs. 70,000
 4. He withdraws Rs. 15,000
 5. He purchases furniture Rs. 18,000
 6. He deposits into bank Rs. 20,000
 7. He pays salary to Mr. X Rs. 5,000
 8. Goods of Rs. 6,000 burnt by fire, insurance company accepted a claim of 60% of the amount
 9. His salesmen sold the goods of Rs. 3,000 deducted Rs. 300 towards travelling



expenses and paid remaining amount to him

10.He pays office and residence rent respectively Rs.2,000 and Rs. 1,000

Q-8

Attempt all questions

(14)

Prepare final account in the books of Mr. A from below trial balance as on date 31/03/2017

14

Particulars	Debit	Credit
Opening stock	50,000	
Purchase and Sales	5,00,000	9,00,000
Returns	40,000	20,000
Cash	60,000	
Bank	70,000	
Debtors & Creditors	2,00,000	80,000
Bills receivable & Bills payable	60,000	40,000
Carriage inward	10,000	
Discount	12,000	8,000
Bad debt & B.D.R	8,000	12,000
Capital & Drawings	25,000	4,01,000
Wages	18,000	
Salaries	16,000	
Travelling Expenses	24,000	
Building	1,50,000	
Machinery	2,00,000	
Printing & stationery	18,000	
Total	14,61,000	14,61,000

Adjustments :

1. Closing stock Rs. 80,000
2. Provide depreciation on building & machinery respectively 5% and 10%
3. Salary outstanding Rs.4,000
4. Provide interest on capital and drawings Rs.40,000 & Rs.2,000 respectively
5. Provide bad debt of Rs.10,000

