C. U. SHAH UNIVERSITY Winter Examination-2020

Subject Name: Accounting & Finance - I

Subject Code: 4CO01AFI2		Branch: B.Com (English)		
Semester : 1	Date : 18/03/2021	Time : 03:00 To 06:00	Marks :70	
(2) Instr(3) Drav	of Programmable calculator & any oth uctions written on main answer book a v neat diagrams and figures (if necessa me suitable data if needed.	re strictly to be obeyed.	s prohibited.	
Q-1	Attempt the following questions:		(14)	
a)	Under the Hire purchase system, goo	ds are delivered to the hir	rer 1	
	when(A)First Installment is paid(C) Last Installment is paid	(B) Agreemen (D) None of th	-	
b)	Debenture is		1	
c)	(A)Security (B) Owner's Capital Normally, which accounting system : Doctor, C.A etc?			
	(A)Cash system(C) Double entry system	(B) Single entry (D) Bank system	•	
d)	Share is part of Co	ompany.	1	
e)	(A)Reserve (B) Capital Who is real owner of the Company?	(C) Assets (I	D)Expenses	
•)	(A) Founder of Company(C) Company's ordinary shareholder		f Company	
f)	At the end of the year, the interest pa transferred to theaccount	id and depreciation charg		
	(A)Assets (C) Purchaser	(B) Profit & loss(D) Seller		
g)	In which method goods remain in the (A) FIFO Method (C) Weighted Average Method	e stock of last purchase? (B) Standard pri (D) LIFO Metho		
h)	By deducting cash price from the cor of the amount is called	ntract price of assets, the c	lifference 1	
	(A) Original price	(B) Sales pric		
	(C) Interest	(D) Installme	111	

i) In replacement account, cost of construction of entire new building is considered as.....



1

	(A) Capital expenses.	(B) Cash expenses	
	(C) Revenue expenses.	(D) Miscellaneous experience	
j)	Cash price of asset + Interest =	Price.	1
	(A) Contract.	(B) Market	
	(C) After depreciation.	(D) Purchase	
k)	In which method stock is valued at current market price?	a price which is almost nearer to	1
	(A)LIFO Method	(B) FIFO Method	
	(C) Weighted Average Method	(D) Standard price Method	
l)	Which type of securities to be issue	ed for getting long term capital?	1
	(A)equity share	(B) preference share	
	(C) Debenture	(D) Convertible preference share	
	(E) All of above		
m)	Use of scrap from an asset, under re-	eplacement, in new construction is	1
	treated as:		
	(A) Revenue income.	(B) Capital income	
	(C) Alternative income.	(D) Casual income	
n)	As per the Accountancy, term solic	eitor, Advocate, Doctor, C.A etc are	1
	(A) Professional persons	(B) Business Firms	
	(C) Company's	(D) Citizens	

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

Q-2		Attempt all question	ns	(14)
	Α	Explain the methods	of keeping Accounts.	7
	B	Describe difference	between Preference share and Ordinary share	7
Q-3		Attempt all question	ns	(14)
Q-3 А В	Α	Ahmadabad Municipal Corporation had laid down a water pipeline at a cost of Rs. 10, 00,000. The corporation has decided to lay down new additional pipeline and to replace old pipeline due to public demand. The corporation had installed new additional pipeline at a cost of Rs. 12, 50,000, Whereas in place of old pipeline new pipeline is replaced at a cost Rs. 32,50,000. The cost of laying pipeline has increased by 125% in the meantime. The discarded Material realised Rs. 2,50,000. Write journal entries.		
	В	0	g Stock value according to LIFO Method .	7
		Receipts: 1-4-2016 21-6-2016	500 Units at Rs. 4.50 per unit 750 Units at Rs. 6.00 per unit	
		Issues:		
		11-4-2016	400 units	
		25-6-2016	600 units	
Q-4		Attempt all question		(14)
	Α		between FIFO Method and LIFO Method	7
	B	Write a short note or	Loan Syndication	7



mai mecounts.			
Debit Balance	Rs.	Credit Balance	Rs.
Library-books	45,000	Capital	50,000
Office equipment	30,000	Reserve for	
Office Building	75,000	outstanding fees (1-4-	16,000
Office expenses	25,000	2013)	1,96,000
Salaries & allowances	30,000	Bills of fees	
Bank Balance :		Apprentice premium	
Office	20,000	(from 1-4-2013 for	10,000
Client	10,000	two years)	6,000
Cash on hand	3000	Outstanding salary	
Debtors for fees	25,000		
Client's sundry expenses	15,000		
	2,78,000		2,78,000

Solicitor Ram's Trial balance as on 31-3-2014 is as follows. Prepare his final Accounts:

Additional Information :

- (1) Rs. 6,000 fees received in advance from clients is included in bill of fees.
- (2) Office expense of Rs. 1,000 is included in sundry expenses for clients.
- (3) Interest is to be counted at 20% on capital.
- (4) Depreciation at 10% Office building, Office equipment and Library books.

Q-6

(14)

Mahesh purchased a machine from Jayesh on 1-4-08. Details were as follows :

- (1) The cash price of the machine was Rs. 22,000.
- (2) Rs. 7,000 was paid on the date of purchase.
- (3) The instalments were paid as under :

1 St Instalment on 31-3-2009.	Rs. 6,500
2 nd Instalment on 31-3-2020.	Rs. 6,000
3 rd and final Instalment on 31-3-2011.	Rs. 5,500

(4) Jayesh charged interest at 10% p.a. on the outstanding balance of cash price.

(5) Mahesh provided depreciation on machine at 10% p.a. on Diminishing Balance Method.

From the above mentioned information: Pass necessary journal entries in the books of Mahesh for each year assuming that machine is purchased on hire-purchase system.

Q-7		Attempt all questions	(14)
	Α	Define meaning advantages and disadvantages of LIFO method.	7
	B	Short note : Book Building	7
Q-8		Attempt all questions	(14)
-	Α	Surat Gas Co. Ltd re –built and re- equipped part of their works at a cost	7
		of Rs. 7,70,000. The part of old works so superseded cost Rs. 5,00,000	
		but if it is constructed at present them the cost would be more by 20% .	
		Rs. 60,000 is realized by the sale of old materials and old materials	



valued at Rs. 30,000 are used in the reconstruction and included in the above-mentioned cost.

Pass necessary journal entries in the books of the company to record the above transactions and state what amount should be charged to Capital and to Revenue, giving reasons for your answer. The following is a summary of receipts and issues of Material 'K' in a

500 units

B

25-3-2016

6 3	1
factory during March,2016 :	
Receipts	
1-3-2016	800 units at Rs 6 per unit
10-3-2016	900 units at Rs 8 per unit
20-3-2016	600 units at Rs 7 per unit
Issues :	
8-3-2016	600 units
15-3-2016	800 units

Prepare Stock Register as per FIFO Method.

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