

**GVM's G.G.P.R. COLLEGE OF COMMERCE AND ECONOMICS**  
**FARMAGUDI, PONDA - GOA**

**INTRA SEMESTER ASSESSMENT TEST - I**  
**B.COM. SEMESTER I**  
**JULY 2014**

**FINANCIAL ACCOUNTING – PAPER I**

Duration: 30 minutes

Marks: 10

Q.No.1) Suryavanshi Ltd acquired a machine for four years at ₹ 4,40,000 on 1<sup>st</sup> April 2009 with an estimated scrap value of ₹ 25,000. It was decided to provide for its replacement by means an insurance policy ; with an annual premium of ₹ 1,02,000. The actual scrap realised ₹ 10,000 at the end of 4<sup>th</sup> year. You are required to prepare

1. Machine a/c
2. Depreciation fund a/c
3. Depreciation fund Insurance Policy a/c

For the years ending 31<sup>st</sup> March 2010, 2011, 2012 and 2013.

(8 mks)

Q.No.2) What is Depreciation? What are the objective of providing depreciation on an asset? (Any two)

(2mks)

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