

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
FARMAGUDI, PONDA- GOA

B.COM. UGC-CCFUP (SEMESTER I) - INTRA SEMESTER ASSESSMENT (TEST) AUGUST 2024

MAJOR – 1 COM – 100 – FINANCIAL ACCOUNTING

Duration: 30 minutes

Marks: 10

Q.1. **(10)**

S Enterprise purchased a machinery on 01/04/2021 for ₹ 5,00,000 the life of which is expected to be three years. ₹50,000 was spent on transportation and installation of the machinery. The expected scrap value of the machinery was ₹50,000. It was decided to have an insurance policy for replacement of the machinery for ₹5,00,000. The annual premium was ₹1,50,000. At the end of the third year machinery was sold as scrap for ₹45,000. Prepare necessary accounts under Insurance Policy Method. Accounts are closed on 31st March. **(CO1) (BL3)**

OR

Q. 2. (A). **(06)**

Examine the effect of following transactions on assets, liabilities and owner's equity considering the accounting equation in the books of P Enterprise:

1. Started business by investing capital of ₹ 150,000.
2. Purchased machinery on cash ₹ 40,000.
3. Purchased goods on credit from Mr. C ₹ 20,000.
4. Took a bank loan of ₹ 30,000.
5. Sold goods costing ₹ 45000, at a profit ₹ 5,000 for cash.
6. Sold goods on credit to Mr. X costing ₹ 25,000 at a profit ₹ 5,000. **(CO1) (BL3)**

Q. 2. (B). **(04)**

Determine and name the accounting concepts applicable in following cases:

1. Business firm will continue to carry on its activities for an indefinite period of time.
2. The transaction which cannot be expressed in money will not be recorded in accounting books.
3. Owner of the business treated as a lender of the business.
4. Final accounts are prepared on periodic basis rather than waiting till the business is closed. **(CO1) (BL3)**