

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics
Ponda-Goa

B. Com. Semester-I (UGC - CCFUP) Examination, October/November 2024
FINANCIAL ACCOUNTING (COM 100)
(Major I)

Duration: 2 Hours

Marks: 80

INSTRUCTIONS:

1. Question No. 1 is compulsory.
2. Internal choice is available from Q. 2 to Q. 6.
3. Give **working notes** wherever necessary.

(Marks)(CO)(BL)

Q. 1. Answer the following:

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|--|-----------------|
| 1. Define Financial Accounting. | (2) (CO1)(BL1) |
| 2. Explain any two causes of depreciation. | (2) (CO1)(BL2) |
| 3. Define Single Entry System of accounting. | (2) (CO2)(BL1) |
| 4. Explain any two limitations of Single-Entry System of accounting. | (2) (CO2)(BL2) |
| 5. State the items of current liabilities as per Company's Act of 2013. | (2) ((CO3)(BL1) |
| 6. Explain any two objectives of preparation of final accounts of a company. | (2) (CO3)(BL2) |
| 7. State the classification of investment as per AS 13. | (2) (CO4)(BL1) |
| 8. Explain the valuation of Investment as per AS 13. | (2) (CO4)(BL2) |

Q. 2. A.

(12) (CO1)(BL3)

S Ltd. purchased a car on 01/04/2021 for ₹ 10,00,000 the life of which is expected to be three years. The expected scrap value of the car was ₹ 2,00,000. It was decided to have an endowment insurance policy for a sum of ₹ 8,00,000. The annual premium was ₹ 2,50,000. The surrender values of policy, was at the end of 1st Year 50,000, at the end of 2nd year 2,00,000 and at the end of 3rd year the claim was duly met by the company. The scrap realised ₹1,50,000. Books of accounts are closed on 31st March. Prepare following accounts under Insurance Policy Method.

1. Car Account
2. Insurance Policy Account
3. Depreciation Fund Account

OR

Q. 2. B.**(12) (CO1)(BL3)**

A Ltd. purchased a machinery on 1st April 2021 for ₹ 9,00,000 and spent ₹ 25,000 on installation. The expected scrap value of machinery was ₹ 15,000. It has been decided to provide for replacement of machinery by means of sinking fund. The Sinking Fund Table shows that ₹ 0.3175 at 12% p. a. will in three years accumulate to ₹ 1. At the end of 3rd year investments realised ₹ 7,00,000 and machinery was sold as scrap for ₹ 10,000. Accounts are closed on 31st March every year. Prepare following accounts under Sinking Fund Method.

1. Machinery Account
2. Sinking Fund Account
3. Sinking Fund Investment Account

Q. 2. C. Explain any two accounting conventions.**(4) (CO1)(BL3)****Q. 3. A.****(12) (CO2)(BL3)**

Mr. B maintains his books under single entry system of accounting. From the following information provided by him, prepare a Trading and Profit & Loss Account for the year ended 31st March 2024 and a Balance Sheet as on that date.

Particulars	Balance as on 31.03.2023 ₹	Balance as on 31.03.2023 ₹
Furniture	1,00,000	1,20,000
Stock-in-trade	60,000	20,000
Sundry debtors	1,20,000	1,40,000
Prepaid expenses	-	4,000
Sundry creditors	40,000	?
Cash	22,000	6,000

Particulars	₹
Receipts from Debtors	4,20,000
Paid to Creditors	2,00,000
Carriage inward	40,000
Drawings	1,20,000
Sundry expenses	1,40,000
Furniture purchased	20,000
Credit purchases	2,30,000

Q. 3. B.**(4) (CO2)(BL3)**

Mr. C purchases goods for ₹ 5,10,000. Opening stock was ₹ 90,000. His sales were ₹ 6,30,000. Gross profit is 20% on sales. Prepare Trading Account.

OR**Q. 3. C.****(4) (CO2)(BL3)**

Prepare Sundry Creditors Account from the following information to ascertain credit purchases:

Particulars	₹
Opening creditors	30,000
Paid to Creditors by cheques	2,65,000
Discount received	5,000
Purchase Returns	10,000
Closing creditors	40,000

Q. 4. A.**(12) (CO3)(BL4)**

The following is the Trial Balance of D Ltd. as on 31st March 2024.

Debit Balances	Amount	Credit Balances	Amount
Land & Building	7,50,000	Sales	12,00,000
Plant & Machinery	9,00,000	General Reserve	3,00,000
12% Non-current investment	1,00,000	Sundry creditors	2,50,000
Cash & Bank Balance	30,000	10% Debentures	7,50,000
Sundry Debtors	4,00,000	Profit & Loss Balance	3,60,000
Opening stock	3,00,000	Equity share capital	7,00,000
Purchases	4,62,000	Bills payable	2,68,000
Salaries & wages	4,18,000	Interest on investment	12,000
General expenses	19,000	Sundry Income	10,000
Goodwill	1,80,000		
Patents	2,00,000		
Prepaid expenses	13,000		
Rent rates & taxes	30,000		
Debenture interest	37,500		
Bad debts	10,500		
	38,50,000		38,50,000

Additional Information:

1. Stock on 31st March 2024 was ₹ 2,50,000.
2. Profit for the year amounted to ₹ 1,27,500.
3. Transfer ₹ 30,000 to general reserve.
4. Provide for taxation ₹30,000
5. Provide for dividend on equity shares at 10%.

Examine the financial position of D Ltd. by preparing Balance Sheet as on 31st March 2024 as per Schedule III of Companies Act of 2013.

Q. 4. B. Explain with examples an Extraordinary Items in the Income Statement. (4)(CO3)(BL3)

OR

Q. 4. C. Explain with examples Other Income in the Income Statement. (4)(CO3)(BL3)

Q. 5. A. (12) (CO4)(BL4)

On 1st April 2023 P Ltd. held 400, 12% Government Bonds of ₹100 each at a cost of ₹38,400. Government pays interest on 1st July and 31st December every year. The following transactions were entered by P Ltd. during the year ended 31st March 2024.

Date	No. of Bonds	Transaction	Rate
01/08/2023	200	Purchase	₹ 101 cum- interest
31/10/2023	300	Sale	₹ 98 ex-interest
01/03/2024	200	Purchase	₹ 97 ex- interest

The Market value of bonds was ₹ 48,000 on 31st March 2024. Calculate the value of the bonds on 31st March 2024 by preparing Investment Account. Apply AS-13.

Q. 5. B. (4)(CO3)(BL3)

On 30th September 2024, Miss J purchased 15000 equity shares of ₹ 10 each at a cost of ₹ 2,25,000 including stamp duty. On 1st October 2024, Miss J sold 12000 shares at ₹16 each. Calculate cost of investment sold and resulting profit or loss.

OR

Q. 5. C. (4)(CO3)(BL3)

Miss S had 2000 equity shares in R Ltd. purchased at ₹ 150 per share. The company offered right shares of one for every two held at ₹ 100 per. The rights were sold by Miss S at ₹ 40 per share. After the right issue, the market price of the share fell from ₹ 150 to ₹ 120 per share. Find out the cost of the investment after the sale of right.
