

Name:

Enrolment no:



**University of Petroleum and Energy Studies
End Semester Examination, December 2022**

Course: Financial Accounting
Program: B.COM_LL B
Course code: FINC-1012

Semester: I
Time : 03 hrs.
Max. Marks: 100

Instructions:

**Section A
(5Qx2M=10 Marks)**

S. No.	Attempt all the questions.	Marks	CO
Q 1	The art or science which teaches the technique of recording and explaining financial transaction is called: A. Recording transactions B. Bookkeeping C. Accounting book D. Keeping and accounting	2	CO1
Q2	As 9 is provides standards for A. Disclosure of accounting policies B. Revenue recognition C. Depreciation accounting D. None of the above	2	CO1
Q3	Intangible assets include _____. A. Software B. Patents C. Website D. All of the above	2	CO1
Q4	Current liabilities are those liabilities which are to be settled with in a period of _____. A. 18 months B. 12 months C. 21 months	2	CO1

	D. 24 months																																
Q5	Debit side of cash book records A. Cash inflows B. Cash outflows C. Both of the above D. None of the above	2	CO1																														
Section B (4Qx5M= 20 Marks)																																	
Attempt all the questions.																																	
Q6.	What are the objectives of accounting?	5	CO3																														
Q7.	Distinguish between book-keeping and accountancy?	5	CO2																														
Q8.	What does account standard 1 Disclosure of accounting policies instructs?	5	CO3																														
Q9.	What is the difference between current assets and current liabilities?	5	CO3																														
Section-C (2Qx10M=20 Marks)																																	
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Q 10.	Enter the following transactions in the cash book with discount, cash and bank columns. Prepare two columnar cash book for the month of May. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">1 May 2022</td> <td>Balance of cash in hand Rs 14,000; bank overdraft at bank Rs 5,000</td> </tr> <tr> <td>4</td> <td>Invested further capital Rs 10,000 out of which Rs 6,000 was deposited in the bank sold.</td> </tr> <tr> <td>6</td> <td>Goods for cash Rs 30,000</td> </tr> <tr> <td>6</td> <td>Collected from debtors of last year Rs 80,000; discount allowed to them Rs 2,000</td> </tr> <tr> <td>10</td> <td>Purchased goods for cash Rs 55,000</td> </tr> <tr> <td>11</td> <td>Paid Raman, our creditor Rs 25,000; discount allowed by him Rs 650</td> </tr> <tr> <td>13</td> <td>Commission paid to our agent Rs 5,300</td> </tr> <tr> <td>14</td> <td>Office furniture purchased for cash Rs 2,000</td> </tr> <tr> <td>14</td> <td>Rent paid Rs 400; electricity charges paid Rs 1,000</td> </tr> <tr> <td>14</td> <td>Drew cheque for personal use Rs 7,000</td> </tr> <tr> <td>17</td> <td>Cash sales Rs 25,000</td> </tr> <tr> <td>18</td> <td>Collection from Aman Rs 4 0,000, deposited in the bank on 19th April</td> </tr> <tr> <td>19</td> <td>Drew from the bank for office use Rs 5,000</td> </tr> <tr> <td>22</td> <td>Drew cheque for petty expenses Rs 1,500</td> </tr> <tr> <td>24</td> <td>Dividend received by cheque Rs 500, deposited in the bank on the same day</td> </tr> </table>	1 May 2022	Balance of cash in hand Rs 14,000; bank overdraft at bank Rs 5,000	4	Invested further capital Rs 10,000 out of which Rs 6,000 was deposited in the bank sold.	6	Goods for cash Rs 30,000	6	Collected from debtors of last year Rs 80,000; discount allowed to them Rs 2,000	10	Purchased goods for cash Rs 55,000	11	Paid Raman, our creditor Rs 25,000; discount allowed by him Rs 650	13	Commission paid to our agent Rs 5,300	14	Office furniture purchased for cash Rs 2,000	14	Rent paid Rs 400; electricity charges paid Rs 1,000	14	Drew cheque for personal use Rs 7,000	17	Cash sales Rs 25,000	18	Collection from Aman Rs 4 0,000, deposited in the bank on 19 th April	19	Drew from the bank for office use Rs 5,000	22	Drew cheque for petty expenses Rs 1,500	24	Dividend received by cheque Rs 500, deposited in the bank on the same day	10	CO4
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	25	Commission received by cheque Rs 2,300, deposited in the bank on 28 th April		
	29	Drew from the bank for salary of the office staff Rs 15,000		
	30	Deposited cash in the bank Rs 10,000.		

Q11. What is depreciation. What is the difference between SLM and WDV method of applying depreciation?

10

CO3

Section-D
(2Qx25M=50 Marks)

Q 12. On 31st December, 2022, the following trial balance was extracted from the books of Kamini Ltd.

Debit balance	Amount	Credit balance	Amount
Drawings	3,000	Capital	28,000
Sundry debtors	20,100	Sundry creditors	10,401
Interest on loan	300	Loan on mortgages	9,500
Cash in hand	2,050	Bad debts reserve	710
Stock on 1-1-2014	6,839	Sales	1,10,243
Motor vehicles	10,000	Purchase returns	1,346
Cash at bank	3,555	Discounts	540
Land and buildings	12,000	Bills payable	2,614
Bad debts	525	Rent received	250
Purchases	66,458		
Sales returns	7,821		
Carriage inward	2,404		
Carriage inward	2,929		
Salaries	9,097		
Rents, taxes and insurance	2,891		
Advertising	3,264		
General expenses	3,489		
Bills receivable	6,882		

25

CO4

	<p>You are required to prepare trading and profits and loss account for the year ended 31-12-2022 and balance sheet as on that date, after making the following adjustments:</p> <ul style="list-style-type: none"> • Stock in stock on 31st December, 2022 was valued at Rs 6,250. • Depreciate land and buildings at 2.5% and motor vehicles at 20%. • Interest on loan at 6% per annum is unpaid for six months. • Salaries amounting to Rs 750 and rates amounting to Rs 350 are outstanding. • Prepaid insurance amounted to Rs150. • The provision for bad debts is to be maintained at 5% on sundry debtors • Goods costing Rs 500 were send to a customer on sale or return for Rs 600 on 30th December, 1990 and had been recorded in the books as actual sales. <p>Provide for manager's commission at 10% on net profits after charging such commission. <i>Hint:</i> provide interest on loan for 6 months @ 6% p.a.</p>		
Q 13.	<p>Ravi purchased following plants and machinery on various dates:</p> <p>1.1.1986 = Rs 50,000/-</p> <p>1.7.1986 = Rs 20,000/-</p> <p>1.10.1987 = Rs 40,000/-</p> <p>1.4.1988 = Rs 60,000/-</p> <p>31.12.1989 = Rs 100,000/-</p> <p>On 1.7.1989, he sold the machine bought on 1.1.1986 for Rs 20,000/-.</p> <p>He writes off depreciation on the fixed installment system which he has estimated to be 10% p.a. Of the original cost. Prepare machinery accounts in the ledger of Ravi for the year 1986, 1987, 1988 and 1989.</p>	25	CO4