

**VIDYASAGAR MAHAVIDYALAYA**  
**1<sup>st</sup> SEMESTER EXAMINATION – DECEMBER 2020**  
**FINANCIAL ACCOUNTING – I**  
**PAPER CODE: CC 1.1 Ch/Cg**

**GROUP - A**

Answer **ANY TWO** questions

( 2 X 20 = 40 )

**QUESTION # 1.**

From the following Trial Balance of Sh. Ved Vyas, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> march, 2020 and Balance Sheet as at that date:

Particulars	Debit	Credit
Purchase and sales	275000	520000
Returns Inwards	15000	
Returns Outwards		9000
Carriage	12400	
Wages and Salaries	58600	
Trade Expenses	2200	
Rent Received		13000
Insurance	2000	
Audit Fees	1200	
Debtors and Creditors	110000	62100
B/R and B/P	3300	2200
Printing and Advertising	5500	
Commission		1000
Opening Stock	36000	
Cash in hand	12800	
Cash at Bank	26800	
Bank Loan		20000
Interest on Loan	1500	
Capital		250000
Drawings	15000	
Fixed Assets	300000	
<b>Total</b>	<b>877300</b>	<b>877300</b>

Adjustments:

1. Stock at the end Rs. 60,000.
2. Depreciate Fixed Assets by 10%.
3. Commission earned but not received amounts to Rs. 400.
4. Rent received in advance Rs. 1,000.
5. Allow 8% interest on capital and charge Rs. 900 as interest on drawings.

**QUESTION # 2.**

On 1<sup>st</sup> April 2015, Z Ltd. purchased machinery for Rs. 1,20,000 and on 30<sup>th</sup> September 2016, it acquired additional machinery for Rs. 20,000. On 30.06.2017 one of the original machine ( purchased on 1.4.2015) which had cost Rs. 5,000 was found to have become obsolete and was sold as scrap for Rs. 500. On the same date a new machine was purchased for Rs. 8,000. Depreciation is to be charged @ 15% p.a. on written down value. Accounts are closed on 31<sup>st</sup> March each year. Show machinery account for the first three years.

**QUESTION # 3.**

Trial balance as on 31<sup>st</sup> March, 2020 of Mr X contains the following items:

	Rs.
Provision for Doubtful Debts	15,000
Bad Debts	10,000
Sundry Debtors	1,40,000

On enquiry it was ascertained that debtors include:

- Rs. 15,000 due from Mr. B Sen and Creditors include Rs. 20,000 due to Mr. B Sen;
- Rs. 10,000 due on account of sale of Furniture;
- Bad debts Rs. 7,500.

Prepare Provision for Doubtful Debts Account and Bad Debts Account. Provision for Doubtful Debts is to be created at 5% on Trade Debtors.

**QUESTION # 4.**

Write short notes on:

- Contingent liability
- Tangible and Intangible assets
- Cost of goods sold
- Deferred Revenue Expenditure

**GROUP - B**

Answer **ANY ONE** question

( 1 X 10 = 10 )

**QUESTION # 5.**

Journalise the following:

- Commission earned but not received Rs. 1,200.
- Closing Stock as at 31.03.2020 – Rs. 20,000
- To carry forward one fifth of an insurance premium paid at Rs. 2,780.
- Unpaid salary for Rs. 350 is to be provided for in the accounts.
- Goods costing Rs. 5,000 distributed as charity.

**QUESTION # 6.**

Write short notes on:

- Straight Line method of Depreciation
- Diminishing Balance method of Depreciation

**PLEASE SUBMIT YOUR ANSWER IN THIS MAIL ID:**

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