


Name:	 UPES <small>UNIVERSITY OF TOMORROW</small>
Enrolment No:	

UPES
End Semester Examination, December 2023

Course: FINANCIAL ACCOUNTING	Semester: 1
Program: INT-BCOM-MBA	Time: 03 hrs.
Course Code: FINC 1003	Max. Marks: 100

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	Personal Accounts related to: (a) Assets & Liabilities (b) Expenses, losses and incomes (c) Debtors, Creditors etc. (d) None of these.	2	CO1
Q 2	Which of the following best describes the "Depreciation"? (a) Valuation of fixed assets at the end of the year. (b) Verification of assets. (c) Allocation of cost of fixed assets over its useful life. (d) Decreasing the market value of assets.	2	CO1
Q 3	The term sales is used only for the sales of And is never used for the sale of..... (a) Assets, Investment (b) Intangible Assets, Goods (c) Assets, Goods (d) Goods, Assets	2	CO1
Q 4	Income earned but not received is shown in..... (a) Liabilities (b) Assets (c) Footnotes (d) None of them	2	CO1

Q 5	<p>The amount listed for cash in the trial balance represents:</p> <p>1. The cash at the beginning of the p Income earned but not received is shown in.....</p> <p>(b) Liabilities (b) Assets (c) Footnotes (d) None of them</p> <p>(a) eriod (b) Cash receipts during the period (c) Cash disbursements during the period</p> <p>The balance of cash on the date of trial balance</p>	2	CO1
Q 6	<p>Which of the following will be treated as drawings –</p> <p>(a)Withdrawing money for payment of salary to employees. (b)Withdrawing money for payment of creditors. (c)Withdrawing money from business for private expense (d)Withdrawing money for purchases of assets.</p>	2	CO1
Q 7	<p>If profit is 25% cost, then it will be percent of sales.</p> <p>(a)20% (b) 15% (c) 30% (d) None of these.</p>	2	CO1
Q 8	<p>Depreciation is calculated from the date of ...</p> <p>(a) Purchases of assets (b) Receipts of Assets at business premises (c) Assets put to use (d) Assets installed</p>	2	CO1
Q 9	<p>Purchases refers to the buying of –</p> <p>(a) Stationery for office use (b) Assets for the factory (c) Goods for resale (d) Investments.</p>	2	CO1
Q 10	<p>Goods costing Rs. 30,000 supplied to Mohan at a profit of 25% of sale price less trade discount at 5% will be credited to sales account with –</p> <p>(a)Rs. 35625 (b) Rs. 38,000 (c) Rs. 37,500 (d) Rs.34,200</p>	2	CO1

SECTION B
4Qx5M= 20 Marks

Q 11	<p>“Every transaction involving money or money’s worth has a twofold aspect- the receiving of our value on the one hand and the giving of the same value of the other.”</p> <p>With the help of the above statement explain double entry system and its advantages.</p>	5	CO1
Q 12	<p>What is difference between Single Entry System and Double Entry System?</p>	5	CO1
Q 13	<p>“Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events, which are, in part at least, of a financial character and interpreting the results thereof.”</p> <p>In reference to this statement Define “Accounting” and what are its main objectives?</p>	5	CO1
Q 14	<p>Depreciation may be defined as the permanent and continuing diminution in the quality, quantity or the value of an asset.</p> <p>Considering the above statement define depreciation and what the need of providing depreciation is.</p>	5	CO1

SECTION-C
3Qx10M=30 Marks

Q 15	<p>Z & Company purchased a Machinery on 1st April, 2009, for Rs. 54,000 and spent Rs. 6,000 on its installation. On 1st December. 2010, it purchased another machine for Rs. 30,000. On 30th June 2011, the first machine purchased on 1st April, 2009, is sold for Rs. 36,000 and on the same date it purchased a new machinery for Rs. 80,000.</p> <p>On December 1, 2012, the second machine (purchased on December 1, 2010) was also sold off for Rs. 26,000.</p> <p>Depreciation was provided on machinery @ 10% p.a. on Original Cost Method annually on 31st March. Give the machinery account for four years</p>	10	CO3				
Q 16	<p>. Enter the following transactions in the Journal of Sh. Arun Govil:</p> <table border="1" style="margin-left: 20px;"> <tr> <td style="width: 100px;">2001</td> <td></td> </tr> <tr> <td>June 1</td> <td>Sh. Arun Govil paid into bank as capital Rs. 6,00,000.</td> </tr> </table>	2001		June 1	Sh. Arun Govil paid into bank as capital Rs. 6,00,000.	10	CO2
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June 1	Sh. Arun Govil paid into bank as capital Rs. 6,00,000.						

	June 3	Purchased goods from Mukesh of the list price of Rs. 2,00,000 at 10% trade discount.			
	June 4	One-fourth of the above goods returned to Mukesh for not being up to specifications.			
	June 6	Issued a cheque to Mukesh for the amount due to him after deducting 2% as cash discount.			
	June 7	Withdrew from bank Rs. 2,50,000 for office use and Rs. 10,000 for personal use.			

Q 17	From the following balances, taken from the books of M/S Ajay Gupta & Sons as at 31 st March 2005, prepare a Trial Balance in proper form -				10	CO2																																																					
	<table border="1"> <thead> <tr> <th>Particular</th> <th>Amount</th> <th>Particular</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Stock on 1st April 2004</td> <td>2,20,000</td> <td>Investments</td> <td>3,00,000</td> </tr> <tr> <td>Purchases</td> <td>25,75,000</td> <td>Interest on investments</td> <td>27,000</td> </tr> <tr> <td>Sales</td> <td>36,18,000</td> <td>Cash and Bank</td> <td>12,400</td> </tr> <tr> <td>Carriage Inwards</td> <td>3,000</td> <td>Premises</td> <td>6,00,000</td> </tr> <tr> <td>Carriage outward</td> <td>1,200</td> <td>Fixtures</td> <td>1,40,000</td> </tr> <tr> <td>Return Inwards</td> <td>85,000</td> <td>Misc. Expenses</td> <td>5,200</td> </tr> <tr> <td>Return Outwards</td> <td>20,000</td> <td>Misc. Income</td> <td>1,400</td> </tr> <tr> <td>Debtors</td> <td>3,20,000</td> <td>Loan from ICICI Bank</td> <td>2,50,000</td> </tr> <tr> <td>Creditors</td> <td>1,74,000</td> <td>Interest on above</td> <td>30,000</td> </tr> <tr> <td>Bad Debts</td> <td>6,000</td> <td>Capital</td> <td>7,00,000</td> </tr> <tr> <td>Stationery</td> <td>4,200</td> <td>Proprietors Withdrawals</td> <td>60,000</td> </tr> <tr> <td>Insurance</td> <td>3,400</td> <td>Computers</td> <td>90,000</td> </tr> <tr> <td>Wages and Salaries</td> <td>1,85,000</td> <td>Goodwill</td> <td>1,50,000</td> </tr> </tbody> </table>						Particular	Amount	Particular	Amount	Stock on 1st April 2004	2,20,000	Investments	3,00,000	Purchases	25,75,000	Interest on investments	27,000	Sales	36,18,000	Cash and Bank	12,400	Carriage Inwards	3,000	Premises	6,00,000	Carriage outward	1,200	Fixtures	1,40,000	Return Inwards	85,000	Misc. Expenses	5,200	Return Outwards	20,000	Misc. Income	1,400	Debtors	3,20,000	Loan from ICICI Bank	2,50,000	Creditors	1,74,000	Interest on above	30,000	Bad Debts	6,000	Capital	7,00,000	Stationery	4,200	Proprietors Withdrawals	60,000	Insurance	3,400	Computers	90,000	Wages and Salaries
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SECTION-D
2Qx15M= 30 Marks

Q 18	From the following Trial Balance extracted from the books of A, prepare Trading and Profit and Loss Account for the year ending 31st March, 2008 and a Balance Sheet as at that date: -	15	CO4
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Debit Balance	Rupees	Credit Balance	Rupees
Furniture	640	Capital Account	12,500
Loose Tools	6,250	Provision for Bad Debts	200
Building	7,500	Creditors	2,500
Bad debts	125	Sales	15,450
Debtors	3,800	Bank Overdraft	2,850
Opening Stock	3,460	Purchases return	125
Purchases	5,475	Commission received	375
Sales return	200		
Stationery	450		
Interest	118		
Cash in hand	650		
Taxes and Insurance	1,250		
General Expenses	782		
Salaries	3,300		
Total	34,000	Total	34,000

The following adjustments are to be made:

- (i) Stock in hand on 31st March, 2008 was Rs. 3,250.
- (ii) Depreciate Building at 5% and Furniture at 10%. Loose Tools are revalued at Rs. 5,000 at the end of the year.
- (iii) Salaries Rs. 300 and taxes Rs. 120 are outstanding.

	<p>(iv) Insurance amounting to Rs. 100 is prepaid.</p> <p>(v) Write off a further Rs. 100 as Bad debts and provision for Doubtful Debts is to be made equal to 5% on Sundry Debtors.</p> <p>(vi) Half of the stationery was used by the proprietor for his personal purpose.</p>																
Q 19	<p>Some data of financial accounts of a company are as follows:</p> <table border="1" data-bbox="331 573 1092 842"> <tr> <td>Annual Sales</td> <td>2,40,000</td> </tr> <tr> <td>% of Gross Profit on Sale</td> <td>15%</td> </tr> <tr> <td>Average Inventory</td> <td>34,000</td> </tr> <tr> <td>Current Liabilities</td> <td>24,000</td> </tr> <tr> <td>Current Ratio</td> <td>300%</td> </tr> <tr> <td>Closing Inventory</td> <td>24,000</td> </tr> <tr> <td>Receivables at the end</td> <td>32,000</td> </tr> </table> <p>From the above information, Calculate the following RATIOS:</p> <p>(A) Inventory Turnover (B) Receivables Turnover (C) Acid Test Ratio (D) Current Assets Turnover (E) Average Collection Period in months</p>	Annual Sales	2,40,000	% of Gross Profit on Sale	15%	Average Inventory	34,000	Current Liabilities	24,000	Current Ratio	300%	Closing Inventory	24,000	Receivables at the end	32,000	15	CO4
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