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Q.P.

56928

FYBIM Semester – I Introduction to Financial Accounting – I

1. a) [1 Mark Each]

1. Totalling of journal or ledger is Casting
2. Machinery bought on credit for permanent use is Property
3. Money value or Reputation of business is known as Goodwill
4. Hire Purchase Comprise of Hire Purchaser and Vendor
5. Assets which can be seen are called as tangible
6. The goods remaining unsold are Stock
7. Rent Paid to landlord is debited to rent Account
8. Sale of typewriter to be credited to typewriter A/c
9. Accounting for Inventory is Provided by AS 2
10. The AS 10 does not apply to Biological asset

b) [1 Mark Each]

COLUMN A		COLUMN B	
1. Trading Concern		c. Established for earning profits	
2. Debtors		a. Assets	
3. Capital		b. Amount invested in business	
4. Cash System		f. Cash transaction	
5. Contra Entry		d. Does not entail posting	
6. Repayment of Loan		e. Capital expenditure	
7. legal expenses on collection from debtors		i. Revenue expenditure	
8. Cheque		g. An instrument to pay	
9. IFRS		j. FASB	
10. Pay in slip used		h. for deposit cash into bank	

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Q.2 (A) FIFO Method - Stock Ledger

Date	Purchase			Issued			Balance		
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Rate	Amt
1/6/18	Opening Stock						500	10	5,000
5/6/18	1000	15	15,000				500	10	5,000
7/6/18				300	10	3,000	1000	15	15,000
12/6/18				200	10	2,000	200	10	2,000
15/6/18	1200	10	12,000	600	15	9,000	1000	15	15,000
16/6/18							400	15	6,000
18/6/18				100	15	1,500	400	15	6,000
23/6/18	900	15	13,500	300	15	4,500	1200	10	12,000
				700	10	7,000	300	15	4,500
							1200	10	12,000
							500	10	5,000
							500	10	5,000
							900	15	13,500

7 Marks

Weighted Average Method - Stock Ledger

Date	Purchase			Issued			Balance		Working
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Amt	
1/6/18	Opening Stock						500	5,000	
5/6/18	1000	15	15,000				1500	20,000	
7/6/18				300	13.33	4,000	1200	16,000	=20000/1500
12/6/18				800	13.33	10,667	400	5,333	
15/6/18	1200	10	12,000				1600	17,333	
16/6/18				100	11.55	1,155	1500	16,178	=17,333/1500
18/6/18				100	11.55	1,155	500	4,622	
23/6/18	900	15	13,500				1400	18,122	

8 Marks

Q. 2 (B) (1 to 9 - 1 Mark Each, 10 to 12 - 2 Marks Each)

1. Revenue Expenditure – Recurring in nature.
2. Revenue Expenditure – Recurring in nature.

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3. Revenue Expenditure – Recurring in nature.
4. Revenue Expenditure – Recurring in nature.
5. Capital Expenditure – Non-recurring in nature.
6. Revenue Expenditure – Recurring in nature.
7. Capital Expenditure – Non-Recurring in nature.
8. Capital receipt – Non recurring in nature and refundable in future.
9. Capital receipt – Non-recurring in nature.
10. Revenue Expenditure – Recurring in nature.
11. Capital Expenditure – Non-Recurring in nature.
12. Capital Expenditure – Non-Recurring in nature.

3. A) [5 Marks for Table Remaining Marks for Ledgers]

date	Opening balance	principle	interest	Instalment	Closing balance	Depreciation @10% p.a.
01.01.16	15000	2000	-	-	13000	
31.12.16	13000	2350	650	3000	10650	1,500
31.12.17	10650	2468	532	3000	8182	1,500
31.12.18	8182	2591	409	3000	5591	1,500
31.12.19	5591	27250	280	3000	2871	1,500
31.12.20	2871	2871	129	3000	-	1,500
Total		15000	2000	17000		

Q.3 (B)

Journal In The Books of Hiren Ltd

1 - Mark Each

Sr.No	Date	Particulars	L.F	Debit	Credit
1	1-1-12	Motor Car A/c Dr. To Automatic Co. (Being Motor Car Purchased on Hire Basis)		37,250	37,250
2	1-1-12	Automatic Co. A/c Dr. To Bank A/c (Being Down payment made)		10,000	10,000
3	31-12-12	Interest A/c Dr. To Automatic Co. A/c (Being Interest due to Automatic Co)		1,375	1,375
4	31-12-12	Automatic Co. A/c Dr. To Bank A/c		10,000	10,000

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		(Being 1 st Installment paid)		
5	31-12-12	Depreciation A/c Dr. To Motor Car A/c (Being depreciation charged)	3,725	3,725
6	31-12-12	Profit & Loss A/c To Interest A/c To Depreciation A/c (Being expenses transferred to P& L A/c)	5,100	1,375 3,725
7	31-12-13	Interest A/c Dr. To Automatic Co. A/c (Being Interest due to Automatic Co)	917	917
8	31-12-13	Automatic Co. A/c Dr. To Bank A/c (Being 2 nd Installment paid)	10,000	10,000
9	31-12-13	Depreciation A/c Dr. To Motor Car A/c (Being depreciation charged)	3,353	3353
10	31-12-13	Profit & Loss A/c To Interest A/c To Depreciation A/c (Being expenses transferred to P& L A/c)	4,270	917 3,353
11	31-12-14	Interest A/c Dr. To Automatic Co. A/c (Being Interest due to Automatic Co)	458	458
12	31-12-14	Automatic Co. A/c Dr. To Bank A/c (Being 3 rd Installment paid)	10,000	10,000
13	31-12-14	Depreciation A/c Dr. To Motor Car A/c (Being depreciation charged)	3,017	3,017
14	31-12-14	Profit & Loss A/c To Interest A/c To Depreciation A/c (Being expenses transferred to P& L A/c)	3,475	458 3,017

Particulars	1-1-12	31-12-12	31-12-13	31-12-14
Hire Purchase Price	40,000	30,000	20,000	10,000
Less: DP/ Installments	(10,000)	(10,000)	(10,000)	(10,000)
Balance C/f	30,000	20,000	10,000	NIL

Interest = Hire Purchase Price – Cash Price

Interest = 40,000 – 37,250

Interest = 2,750 Allocated in Ration of Outstanding Balance i.e 3:2:1

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Q.4 (A) Final A/c In The Books of Anjali Chemicals As on 31st March 2018

Manufacturing A/c		5-Marks	
Particulars	Amount	Particulars	Amount
To OpengStk of WIP	17,500	By Closing Stk of WIP	35,000
To Raw Material Consumed		By Trading A/c (Balancing Fig) (Manufacturing Cost)	7,40,750
OpengStk RM 1,00,000			
Add: Purchases 6,10,000			
Less: ClsgStk RM (1,90,000)	5,20,000		
To Freight on Material	50,000		
To Factory Power	15,000		
To Salaries & Wages	1,50,000		
To Repairs & Renewal	1,250		
To Rent, Taxes	8,250		
To Depreciation			
On Machinery 13,000			
On Factory Shed 750	13,750		
	7,75,750		
			7,75,750

Trading and Profit & Loss A/c		5-Marks	
Particulars	Amount	Particulars	Amount
To OpengStk of FG	72,500	By Net Sales	10,50,000
To Manufacturing A/c	7,40,750	By Closing Stk of FG	2,05,000
By Gross Profit C/d	4,41,750		
	12,55,000	By Gross Profit B/d	12,55,000
To Depreciation on Furniture	5,700		4,41,750
To Salaries & Wages	65,000		
To Repairs & Renewals	1,250		
To Rent, Taxes	8,250		
To Insurance Premium 3,900			
Less: Prepaid (325)	3,575		
To RDD (new) 5,400			
Less: RDD (old) (5,000)	400		
To General Expenses	18,100		
To Net Profit C/d	3,39,475		
	4,41,000		
			4,41,750

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Balance Sheet As On 31ST March 2018

5-Marks

Liabilities		Amount	Assets		Amount
Capital	1,95,000		<u>Intangible Fixed Assets</u>		
Add: Net Profit	<u>3,39,475</u>	5,34,475	Goodwill		40,000
		1,00,000	<u>Tangible Fixed Assets</u>		
Bank Loan			Machinery	1,30,000	
			Less: Depreciation	<u>(13,000)</u>	1,17,000
<u>Current Liabilities</u>		1,50,000	Furniture	38,000	
Creditors			Less: Depreciation	<u>(5,700)</u>	32,300
			Factory Shed	30,000	
			Less: Depreciation	<u>(750)</u>	29,250
			Investments		6,000
			<u>Current Assets</u>		
			Debtors	1,35,000	
			Less: RDD	<u>(5,400)</u>	1,29,600
			<u>Closing Stocks</u>		
			Raw Material	1,90,000	
			WIP	35,000	
			Finished Goods	<u>2,05,000</u>	4,30,000
			Prepaid Expenses – Insurance		325
		7,84,475			7,84,475

Q.4 (B)

Final A/c In The Books of Avni As on 31st December 2018

Manufacturing A/c

5-Marks

Particulars	Amount	Particulars	Amount
To OpengStk of WIP	30,000	By Closing Stk of WIP	14,200
To <u>Raw Material Consumed</u>		By Sale of Scrap	1,350
OpengStk RM 43,000		By Trading A/c (Balancing Fig)	2,44,550
Add: Purchases 1,61,300		(Manufacturing Cost)	
Less: ClsgStk RM <u>(11,800)</u>	1,92,500		
To Carriage on Purchase	11,500		
To Wages 12,000			
Add: O/S <u>2,000</u>	14,000		
To Repairs of Plant	1,200		
To Rent (1/4)	1,250		
<u>To Depreciation</u>			
On Machinery	9,000		
To Lighting	650		
	2,60,100		2,60,100

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Trading and Profit & Loss A/c

5-Marks

Particulars	Amount	Particulars	Amount
To OpengStk of FG	35,500	By Net Sales	2,61,300
To Manufacturing A/c	2,44,550	By Closing Stk of FG	15,000
		By Gross Loss C/d	3,750
	2,76,300		2,76,300
To Gross Loss B/f	3,750	By Commission	500
To Depreciation on Furniture	450	By Net Loss C/d	24,350
To Salaries 10,000			
Add : O/S 2,000	12,000		
To Rent (3/4)	3,750		
To Telephone Charges	500		
To Postages	500		
To Repairs to Office Furniture	600		
To RDD (new) 2,700			
Less: RDD (old) (1,650)	1,050		
To General Expense	1,600		
To Lighting Expenses	650		
	24,850		24,850

Balance Sheet As On 31ST December 2018

5-Marks

Liabilities	Amount	Assets	Amount
Capital 2,00,000		Machinery 90,000	
Less: Net Loss (24,350)	1,75,650	Less: Depreciation (9,000)	81,000
		Furniture 9,000	
<u>Current Liabilities</u>		Less: Depreciation (450)	8,550
Creditors 15,000		<u>Current Assets</u>	
Bills Payable 10,500		Debtors 27,000	
Bank Overdraft 9,700		Less: RDD (2,700)	24,300
<u>Outstanding Expenses</u>		Bills Receivable 48,000	
Wages 2,000		<u>Closing Stocks</u>	
Salaries 2,000		Raw Material 11,800	
		WIP 14,200	
		Finished Goods 15,000	41,000
		Cash in Hand 12,000	
	2,14,850		2,14,850

Q. 5. Theory questions as per contain of answers