

Program :- PGDM(RM) BATCH 2018-2020 1st Trimesester/

(End term Examination)

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Program :PGDM(RM) 2018-2020), 1st Trimesester

Subject: Financial accounting

(End term Examination)

MARKS- 50

Time-3 hours

Date:-17/09/2018

INSTRUCTIONS

1) Write your assumptions wherever necessary.

Q.1) Following is the Trial Balance of Warner Co LTD. For the year ended March 31,2018

Prepare the financial statemtents(Vertical form of Income Statement and Balance sheet) as per the Revised companies Act 2013.

Particulars	Debit balance(Rs)	Particulars	Credit balance(Rs)
Opening stock	1,,50,000	Interest received	23,270
Loose tools	10,000	Purchase return	3,780
Sales return	5,650	Bank Overdraft	10,500
Purchase	16,62,000	Creditors	1,17,500
Carriage inwards	40,000	Sales	35,85,000
Debtors	2,80,000	Discount received	10,400
Plant & Machinery	9,70,000	Share Capital	7,50,000
Land &Building	7,0 0,000		
Furniture	2,40,000	General reserve	1,00,000
Salaries	80,000	Profit and loss A/c	16,250
Bad debts	8,725	Outstanding Rent	1,075
Wages	2,10,000		

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Rent, rates & taxes	80,000		
Insurance premium	20,400		
Prepaid Insurance	6,800		
Carriage outward	8,200		
Cash at bank	26,000		
Investments	1,20,000		
TOTAL	46,17,775	TOTAL	46,17,775

ADDITIONAL INFORMATION

- 1) Depreciate Plant and Machinery by 10% and furniture by 15%..
- 2) Outstanding salaries amounted to Rs 10,000 /-
- 3) Interest received included advance interest of Rs 2,500/-
- 4) Closing stock of the company was valued at Rs 2,00,000/-
- 5) The authorized share capital of the company was 2 lakh shares with a face value of Rs10/- each where as only 75,000 shares were issued and paid up. (20 MARKS)

Q.2) From the following information of PQR Ltd., Prepare Machinery Account and Depreciation Account for 2005-2006, 2006-2007 , 2007-2008 , The company follows the income tax year.

Method of Depreciation : Straight line Method Rate of depreciation : 12%

April 1, 2005	Purchased a second hand Machinery (No.1) for Rs.4,20,000 .
Oct 1, 2006	Machine(No.2) was purchased for Rs.250,000 and paid Rs.10,000 for its installation
April 1, 2007	Purchased Machinery (No.3) for Rs. 200,000
Sept30, 2007	Sold Machinery (No.1) for Rs. 2,95,000
Sept30, 2007	Purchased Machinery (No.4) for Rs. 300,000

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Mar 31,2008	Sold Machinery (No.2) for Rs. 95000
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(10 MARKS)

Q.3a) A trader purchased and sold the following quantities in the month of September 2017. You are required to calculate:-

a) The Cost of Goods Sold and Profit made in September and

b) Stock as on 30-09-2017 using Weighted Average method .

(3 MARKS)

Date	Transaction	No of Units	Cost Price/selling price per unit (Rs)
Oct 1	Opening Stock	400	110
Oct 5	Sales	200	125
Oct 6	Purchase	1000	120
Oct 10	Sales	400	130
Oct 12	Sales	300	130
Oct 15	Purchase	600	105
Oct 19	Sales	250	120
Oct 22	Sales	350	125

Q.3b) A trader purchased goods at Rs 100 per unit. The selling price of the product is Rs 150 per unit. The trader spent Rs 30/- as commission to be given to the dealer and Rs 25 as packing and dispatching charges. What should be the value of stock of 200 units and why? Explain it with the requirements specified in the AS-2.

(2MARKS)

.4) Write short notes on any THREE

(15 MARKS)

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1. Explain the conditions specified in AS-9 for completion of sales.
2. What are accounting policies , Give two examples.
3. Explain the areas where As-6 cannot be applied.
4. Explain Classification of expenditures with the help of examples