

[Type text] **K.J.SOMAIYA.INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH**

Program: MFM1ST Semester(Batch2019-2022)

END TERM EXAM

SUB:- FINANCIAL ACCOUNTING

DATE:-18 NOV ,2019

Time :-3 hour

MARKS -50

INSTRUCTIONS

1.Mention your assumptions wherever necessary.

2.All questions are compulsory.

Question 1. The following is the Trial Balance of M/s ACC CO LTD on 31st March,2019.

The nominal capital of the company is 40,000 equity shares of Rs 10/- each.

Particulars	Debit (Rs.)	Credit (Rs.)
Furniture & fittings	102800	
Goodwill	50000	
Debentures		60000
Investments	10000	
Motor vehicle	155000	
Buildings	150000	
Share Capital		350000
Bad debts	2500	
Creditors		84000
Sundry Debtors	76000	
Stock on 1 st April, 2016	69200	
Purchases	109500	
Sales		309000
Bank Overdraft		57000
Purchase returns		2500
Sales return	4000	
Freight inward	9000	
Interest paid	2360	
Commission		7500
Cash	13000	
Insurance	15640	

General expenses	25000	
Salaries	76000	
	<u>870000</u>	<u>870000</u>

The following adjustments are to be made:

1. Stock in hand on 31st March,2019 was Rs108000 being the cost price and its NRV is Rs 105000/-.
2. Depreciate all tangible fixed assets by 10%
3. Salaries Rs.6000 /- is outstanding.
4. Prepaid insurance amounted to 5640/-
5. Commission due but not received amounted to Rs 1,000/-

Prepare the financial statements (Profit and loss A/c and Balance Sheet as per the Revised companies Act 2013. VERTICAL FORMAT)

(20 MARKS)

Q.2) Give answers to any three Questions

(15 MARKS)

a) XYZ Co ltd charges depreciation as per SLM METHOD while filing the return and their return gets rejected by the Income tax department. Explain what went wrong and what remedial measures would you suggest,keeping in mind the INCOME TAX ACT and AS-6

b) Explain the methods of recognizing revenue from services as specified in AS-9.

c) Explain the areas where AS-2 cannot be applied

d) What is the purpose of AS-1 and explain the assumptions to be followed

Q.3)From the following information of M/s Kajal enterprise , Prepare Machinery Account and Depreciation Account for 3 years ie 2013-2014,2014-2015,2015-16 The company follows the income tax year.

Method of Depreciation :WDV

Rate of depreciation : 13%

April1, 2013	Purchased a second hand Machinery (No.1) for Rs.500,000 and spent Rs.20,000 on its installation.
Oct 1, 2013	Machine(No.2) was purchased for Rs.350,000 and paid Rs.10,000 for its installation
Aug 1,2014	Purchased Machinery (No.3) for Rs. 200,000
Sept30,2015	Sold Machinery (No.1) for Rs. 225000
Jan 31,2016	Sold Machinery (No.2) for Rs. 95000 on the same date purchased another machinery for 1,50,000.

(10 MARKS)

Q.4) A trader purchased and sold the following quantities in the month of Oct 2019. You are required to calculate:- (5MARKS)

- a) The Cost of Goods Sold and Profit made in October and
- b) Stock as on 30-10-2019 using weighted Average Method .

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