

K.J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH

PGDM (RM)1ST Trimester (Batch2017-2019)

Financial Accounting

Date : 21/09/2017

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 Aditya enterprise on 31st march,2017 Prepare the financial statements (Profit and loss A/c and Balance Sheet as per the Revised companies Act 2013. VERTICAL FORM)

Trial Balance of M/s Aditya enterprise on 31st march,2017

Particulars	Debit (Rs.)	Credit (Rs.)
Furniture & fittings	10280	
Motor vehicle	15,500	
Buildings	15000	
Share Capital		35000
Bad debts	250	
Creditors		8400
Sundry Debtors	7600	
Stock on 1 st April, 2016	6920	
Purchases	10,950	
Sales		30,900
Bank Overdraft		5700
Purchase returns		250
Sales return	400	
Freight inward	900	
Interest	236	
Commission		750
Cash	1300	
Insurance	1564	
General expenses	2500	
Salaries	7600	
	<u>81,000</u>	<u>81,000</u>

The following adjustments are to be made:

1. Stock in hand on 31st March,2017 was Rs.8000.
2. Depreciate Building @ 5%, Furniture and Fittings @ 10%, Motor Vehicles @ 20%.
3. Salaries Rs.600 is outstanding.
4. Insurance amounting to Rs.200 prepaid. (20 MARKS)

Q.2) Give answers to any three Questions (15 MARKS)

- a) Explain capital expenditure ,Deferred revenue expenditure and Revenue Expenditure.
- b) Explain the areas where AS-9 cannot be applied..
- c) If the cost price of Closing stock is Rs 50,000 and its NRV is 48,000. What should be considered as the value of stock? Name and explain the accounting principle.
- d) Explain Share capital of a company.

Q.3A) What does a company needs to disclose in its financial statement when it is

following AS-6

(3 MARKS)

Q.3B) From the following information of M/s Aditya 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 : 12%

April1, 2013	Purchased a second hand Machinery (No.1) for Rs.500,000 and spent Rs.20,000 on its installation, Rs. 5000 as Shipping and forwarding charges,
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

(7 MARKS)

Q.4) A trader purchased and sold the following quantities in the month of Oct 2016. You are required to calculate:- (5MARKS)

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

b) Stock as on 30-10-2016 using FIFO 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