

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

**Program: MFM1<sup>ST</sup> Semester(Batch2018-2021)**

**SUB:- FINANCIAL ACCOUNTING**

**DATE:-19 November,2018**

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 ABC CO LTD on 31<sup>st</sup> March,2018.Trial Balance of M/s ABC CO LTD on 31<sup>st</sup> March,2018

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 <sup>st</sup> 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 31<sup>st</sup> March,2018 was Rs18,000.
  2. Depreciate Building @ 5%, Furniture and Fittings @ 10%, Motor Vehicles @ 20%.
  3. Salaries Rs.600 is outstanding.
  4. The management decided to give a dividend of 10% on share capital.
  5. Prepaid insurance amounted to 564/-
- Prepare the financial statements (Profit and loss A/c and Balance Sheet as per the Revised companies Act 2013. VERTICAL FORM)

(20 MARKS)

Q.2) Give answers to any three Questions

(15 MARKS)

- a) Explain the methods of recognizing revenue from services as specified in AS-9.
- b) Explain the areas where AS-2 cannot be applied..
- c) Explain any three the accounting concepts with the help of examples.
- d) Explain Share capital of a company.

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 : 12%

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

(10 MARKS )

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

(5MARKS)

- a) The Cost of Goods Sold and Profit made in October and
- b) Stock as on 30-10-2016 using Weighted Average Method .

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

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