

K.J.SOMAIYA.INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

Program: PGDM(RM)1<sup>ST</sup> Trimester (Batch2016-2018)

SUB:- FINANCIAL ACCOUNTING

DATE:-19<sup>TH</sup>September,2016

Time :-3 hour

MARKS -50

INSTRUCTIONS

1.Mention your assumptions wherever necessary.

2.All questions are compulsory.

Q.1) Following is the Trial Balance of KAILASH INTERNATIONAL LTD. For the year ended March 31,2016.

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

Particulars	Debit balance(Rs)	Particulars	Credit balance(Rs)
Opening stock	2,30,000	Interest received	17,970
Goodwill	20,700	Purchase return	3,750
Sales return	5,800	Bank Overdraft	10,500
Purchase	15,62,000	Creditors	1,00,000
Debtors	2,80,000	Discount received	10,400
Plant & Machinery	7,70,000	Share Capital(Equity)	11,55,000
Land &Building	10,80,000	Bills Payable	17,870
Salaries	2,80,000	Sales	35,85,000
Bad debts	8,790		
Wages	2,10,000		
Rent, rates &taxes	80,000		

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Telephone exp	1,23,000		
Discount allowed	12,000		
Insurance premium	5,400		
Cash at bank	26,000		
Investments	2,06,800		
TOTAL	49,00,490	TOTAL	49,00,490

*ADDITIONAL INFORMATION*

- 1) Closing stock was valued at a cost of Rs2,81,000/-
- 2) Insurance premium paid in advance amounted to Rs400/-
- 3) Discount due but not received Rs 1000/-.
- 4) The authorized share capital of the company was 20 lakh shares with a face value of Rs1/- each . The issued ,subscribed capital of the company is 11,55,000 shares of Re1/-each fully paid up.
- 5) Depreciate Plant and Machinery by 15%.
- 6) Salaries due but not paid amounted to Rs 5,000/- (20 MARKS)

Q.2) Write short notes on any three (15 MARKS)

- a) Explain the different classes of Preference capital.
- b) Any three accounting concepts with examples.
- c) Explain capital expenditure ,Deferred revenue expenditure and Revenue Expenditure.
- d) Explain the areas where AS-9 cannot be applied..
- e) Explain the importance of NRV(Net Realisable Value) with regards to AS-2.

Q3A) Explain the different methods of calculating Depreciation and which method is recognized as per Income tax Act 1961. (3 MARKS)

3B) From the following information of PQR Ltd., Prepare Machinery Account and Depreciation Account for 2009-2010, 2010--2011 , 2011-2012 . The company follows the income tax year.

Method of Depreciation : wdv method

Rate of depreciation : 13%

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JULY1, 2009	Purchased a second hand Machinery (No.1) for Rs.4,20,000 and spent Rs 40,000/-on replacement of a special part..
Oct 11 2010	Machine(No.2) was purchased for Rs.250,000 and paid Rs.10,000 for its installation
April 1,2011	Purchased Machinery (No.3) for Rs. 200,000
Sept30,2011	Purchased Machinery (No.4) for Rs. 300,000.On the same date sold Machinery no.2 for 2,10,000/-

(7 MARKS )

Q.4) A trader purchased and sold the following quantities in the month of Oct 2014. You are required to calculate:- (5MARKS)

- a) The Cost of Goods Sold and Profit made in October and
- b) Stock as on 30-10-2014 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