

Internal questions for Sem-I Introduction to Financial Accounts

ROLL NO.1005

1. What is the meaning of Book-keeping? Explain the need for Book-keeping.
2. Write a short note on accounting standard 10 – Accounting for Fixed Assets.
3. What do you mean by Bank Reconciliation Statement? Why is it necessary?
4. Prepare Triple Column Cash Book of Mr. Pawan for the Month of January, 2019 –

Date	Particulars
1	Commenced business with Rs. 10,000/
2	Paid into Bank Rs. 8,000
7	Purchased goods by cheque Rs. 3,000
10	Paid Rent Rs. 150
12	Purchased Furniture by cheque Rs. 180
15	Cash Sales Rs. 650
16	Gave Mr. Garry a cheque of Rs. 670 (and he allowed discount Rs. 25)
18	Received from Mr. Neymar a cheque for Rs. 1,500 and he was allowed a discount of Rs. 30
20	Paid into Bank Rs. 1,500
25	Paid Wages Rs. 60
27	Withdraw cash for office use Rs. 400
30	Received from Mr. David Rs. 100
31	Withdrawn for Personal use by cheque Rs. 150

ROLL NO. 1051

1. Define the accrual concepts and Going Concern Concept. What is its effect on accounts?
2. What do you mean by subsidiary books? Describe the different types of subsidiary books.
3. Describe the stages in Double Entry Systems?
4. Ravindra Trading Company, Ratlam purchased machinery for 55,000 on 1st April, 2011 and spent Rs. 5,000 on its fixation and erection. In the same year on 1st October additional machinery costing Rs. 40,000/- was purchased. On 1st October, 2013 the machinery purchased on 1st April, 2011 become obsolete and was sold for Rs. 43,000/-. On 1st January, 2014, a new machinery was also purchased for Rs. 20,000-

Depreciation was provided annually on 31st March at the rate of 10% per annum on Straight Line Method.

Prepare Machinery A/c. and Depreciation A/c. from 2011-12 to 2013-14.

ROLL NO. 1065

1. Define the materiality Concept and money measurement concept. What is its effect on accounts?
2. What are the advantage of Computerised accounting system?
3. Indicate – briefly giving your reasons in each case – which is the following represents capital receipts, capital expenditure, revenue income or revenue expenditure –
 - (a) Bank Overdraft
 - (b) Purchase of Computer for re-sale by Office supplies Company.
 - (c) Purchase of Chairs for office use by Mehta and Company.
 - (d) Receipt of commission by a firm of brokers.
 - (e) Telephone rental and charges
 - (f) Rent received from subletting of flat above office.
4. The Machinery account shows a debit balance of Rs. 15,000 on 01/04/2013. This Machine was originally purchased on 01/10/2010 for Rs. 20,000/-. On 01/04/2013 a new machine was purchased for Rs. 45,000. On 01/07/2013 he purchased the machinery costing Rs. 15,000 and spent Rs. 1,000 on its erection. On 01/01/2014 the machine purchased on 01/10/2010 was sold for Rs. 12,250. On 31st March every year, depreciation is charged at 10% p.a. on Cost Price.

Prepare Machinery account & depreciation account in the books of Mr. Pramod Kumar for one year ending 31/03/2014.

ROLL NO. 1164

1. Write a short note on accounting standard 9 – Revenue Recognition.
2. Distinguish between – (1) Capital Expenditure and Revenue Expenditure and (2) Revenue receipt and Capital Receipt.
3. Distinguish between Straight line method and Written Down value Method.
4. From the following ledger balances prepare Trial balance of S. A. & Khan associates for the year ended 31st March, 2014:

Particulars	Amount	Particulars	Amount
Sundry Debtors	48,000	Cash at Bank	25,000
Sundry Creditors	98,000	Cash at hand	400
Plant & Machinery	40,000	Salaries	55,000
Carriage Outward	1,000	Wages	20,000
Carriage Inward	200	Printing and Stationery	527
Bad debts	1,200	Office expenses	1,212
Purchases	51,900	Sales	1,50,680
Capital A/c.	35,000	Opening Stock	21,275
Freehold Premises	25,000	Commission Received	6,459
Bad debt (Provision)	625	Security Deposit received	10,000
		Deposit with MSEB	10,000

5. From the following Trail Balance of M/s. Onkar Associates, Talegaon, prepare Trading and Profit and Loss Account for the year ended 31/03/2014 and the Balance Sheet as on date:

Particulars	Dr. Rs.	Cr. Rs.
Capital	-	3,40,000
Drawings	5,000	
Plant and Machinery	50,000	
Land and Building	2,00,000	
Furniture and Fixtures	30,000	
Loose Tools	50,000	
Goodwill	25,000	
Stock (01.04.2013)	50,000	
Particulars	Dr. Rs.	Cr. Rs.
Purchases	4,10,000	
Sales		11,20,000
Returns Inwards and Outwards	20,000	10,000
Discounts	10,000	15,000
Wages	2,10,000	
Carrige Inwards	30,000	
Salaries	1,04,000	
General Expenses	1,28,000	
Insurance	52,000	
Rent and Taxes	36,000	
Postage and Telegrams	10,000	
Packing Distribution	23,000	
Debtors	1,22,000	
Creditors		60,000
Provisions for Bad and doubtful Debts		5,000
Cash at Bank	35,000	
Loan from Jay Taken on 01/01/2014@ 10% p.a.		50,000
	16,00,000	16,00,000

Adjustments:

1. Stock as on 31st March, 2014 was valued at Rs. 77,000
2. Depreciate Land and Building @ 5% p.a., Plant and Machinery @ 10% p.a. and Furniture and Fixtures @ 20%. Revalue Loose Tools at Rs. 40,000.
3. Rs. 2,000 included in debtors is not recoverable. Provision for Doubtful Debts to be maintained @ 5% on debtors.
4. Omkar Drew Rs. 2,000 which is charged to Salary Account.
5. Prepaid Insurance Rs. 1,000.

ROLL NO. 1181

1. Distinguish between trade discount and Cash discount.
2. State in each cases whether the expenditure is a capital expenditure or revenue expenditure –
 - (a) Legal Expenses incurred to defend a suit for breach of contract to supply goods.
 - (b) Wages paid to workers for setting up a new machinery.
 - (c) Office rent paid in advance for three years.
 - (d) Expenditure on development of a product.
 - (e) Wages paid to workers for converting raw material into finished goods.
3. Explain in brief – 1) Trading account of a manufacturer 2) Closing entries 3) Adjustment entries 4) valuation of closing stock.
4. The following Balances are extracted from the books of Ramadhir Ltd. As at 31st March, 2017:

Particulars	Amount
Capital	15,000
Land and Building	15,600
Bank Overdraft	2,500
Cash in hand	680
Stock as on 1 st April, 2016	6,000
Purchases	7,200
Provision for Bad debts	370
Sales	17,000
Wages	1,250
Salaries	700
Advertisements	210
Rent	160
Insurance	40
Discount allowed	300
Repairs to Building	210
Interest on Discount Received	500
Debtors	6,620
Creditors	4,100
General Expenses	500

Prepare Trial Balance.

5. Trial Balance of Mr. Arjun as on 31st March 2019 was as follows:

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening Stock:		Creditors	23,000
Raw material	30,000	Bank Loan	80,000
Work in Progress	15,000	Sale of Scrap	2,200
Finished Goods	25,000	Interest Received	1,800
Debtors	30,000	Commission Received	1,650
Freight on Purchase	1,700	Sales	2,80,000
Bills Receivable	28,000	Capital	77,450
Wages	12,000		

Salaries	10,000		
Coal, Water and Gas charges	4,500		
Stationery	500		
Factory Insurance	1,200		
Repairs to factory Building	600		
Purchase	2,00,000		
Cash at Bank	12,000		
Plant and Machinery	30,000		
Factory Building	60,000		
Rent	3,000		
Factory Lighting	1,200		
Advertisement	1,400		
TOTAL	4,66,100	TOTAL	4,66,100

The following additional information is provided to you:

1. Closing stock: Raw Material-Rs.26,000, WIP-Rs.28,000, Finished Goods-Rs.25,000
 2. Outstanding Salaries amounted to Rs.4,000
 3. Prepaid Rent Rs.500
 4. Depreciate Machinery @ 10% and factory building @ 8%
 5. Goods lost by fire worth Rs.5,000 and insurance company admitted a claim of Rs.4,000.
 6. Bills receivable dishonored Rs.4000
- Prepare Manufacturing A/c, trading A/c, Profit & Loss A/C and Balance Sheet as on 31st March 2019.

1. Describe the various branches of accounting.
2. What do you mean by Trial Balance? Explain the different forms of Trial Balance.
3. Distinguish between trading account and Manufacturing account.
4. From the Following particulars prepare Bank Reconciliation account as on 31st December, 2019
 - i. Overdraft as on 31/12/2019 as per pass Book – 15,000
 - ii. On 25/12/2019 several cheques worth Rs. 8,000 were deposited in the Bank out of which cheque worth Rs. 5,000 are cleared and credited in the pass book before 31/12/2019.
 - iii. Cheques worth Rs. 16,000 issued during the month but only cheques worth Rs. 9,500 were presented for payment.
 - iv. Interest charged by Bank Rs. 750 is not recorded in Books.
 - v. Dividend on shares Rs. 1,250 was collected by Bank but no entry was passed in books.
 - vi. A Customer Ms. Khushi deposited Rs. 3,500 into Bank account directly.
 - vii. Bank Charges Charged by Bank – Rs. 100.
 - viii. Two cheques of Rs. 1,250 and Rs. 750 were issued on 25/12/2019 but were presented for payment on 2nd January, 2020.
5. The Trial Balance of Mrs. Julie as on 31st December, 2018 was as follows:

<i>Particulars</i>	Dr.	<i>Particulars</i>	Cr.
Raw Material	23,000	Sundry Creditors	17,000
Work -in – Progress	10,000	Bills Payable	8,500
Finished Goods	15,500	Sales of Scrap	1,500
Sundry Debtors	27,000	Commission	400
Carriage Inward	1,000	Provision for Doubtful Debts	1,600
Carriage Outward	1000	Capital Account	1,00,000
Bills Receivable	16,000	Sales	2,00,000
Wages	12,000		
<i>Particulars</i>	Dr.	<i>Particulars</i>	Cr.
Salaries	10,000		
Repairs of Plant	1,200		
Repairs of Office Furniture	600		
Purchase	1,00,000		
Cash at Bank	2,300		
Plant & Machinery	90,000		
Office Furniture	9,000		
Rent	5,000		
Lighting Expenses	1,800		
Factory Insurance	2,000		
General Expenses	1,600		
	3,29,000		3,29,000

The following additional information is provided to you:

1. On 31st December, 2018 Stocks were valued at
Raw Material-Rs.15,800
Semi - Finished Goods- Rs.7,000
Finished Goods-Rs.18,200
2. Salaries Rs. 2,000 and Wages for December, 2018 Rs. 2,000 was paid in January 2019.
3. Lighting Expenses were outstanding Rs. 600 where as insurance was prepaid Rs. 500.
4. 25% of the lightning expenses and rent is to be charged to office premises and the remaining amount is to be charged to Factory.
5. Depreciate is to be Written off on Machinery @ 10% p.a. and on Furniture @ 5% p.a.
6. Provision for Doubtful debts is to be maintained at 10%.

You are required to prepare Manufacturing A/c, trading A/c, Profit & Loss account for the year ended 31st December, 2018 and Balance Sheet as on 31st December, 2018.

ROLL NO.

1037

1. Enumerate the objectives of accounting.
2. Write a short note on accounting standard 6 – Depreciation accounting.
3. Distinguish between manual and computerised accounting system.
4. There was a credit balance of Rs. 22,327 in the pass book of Mahesh on 30/06/2013. On Comparison of the pass book with the cash book, following reasons were found causing a difference between the two books. Prepare Bank Reconciliation Statement as on 30/06/2013 taking these reasons into account.
 - (i) Of the cheques of Rs. 7,500 sent for collection, cheques worth Rs. 2,500/- were not credited in the pass book
 - (ii) Of the cheques of Rs. 3,500, issued to creditors, cheques amounting to only Rs. 2,500 were presented to the bank.
 - (iii) Bank has credited interest Rs. 200 and debited Rs. 50 for commission in the pass book.
 - (iv) A Cheque of Rs. 500 was deposited by a debtor directly in the bank account.
 - (v) Mr. Ashish a debtor deposited Rs. 300 in cash directly in to the Bank Account.
 - (vi) Bank had directly received, under standing instruction from Mahesh, Rs. 400 being dividend on shares.
 - (vii) Bank had directly paid insurance premium of Rs. 150.
 - (viii) Pass book showed a debit entry of Rs. 1,515, made up of Rs. 1,500 cheque dishonoured and Rs. 15 for bank Charges.

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