

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons) Summer 2018 - 19 Examination

Semester: 2

Subject Code: 16100151

Subject Name: Financial Accounting

Date: 05/04/2019

Time: 2:00 pm to 4:30 pm

Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**A) Multiple choice type questions. (Each of one mark)****(06)**

1. The consignor is:

a) Principle	b) Debtor
c) Agent	d) None of them
2. The consignee is

a) Principle	c) Buyer
b) Agent	d) Seller
3. Interest on loan paid by business is an example of :

a) Revenue expenses	b) Asset
c) Income	d) Return outward
4. What is the accumulated depreciation?

a) Future value of fixed asset	b) Cost of depletion of assets
c) Sum of all depreciation expenses of a fixed asset	d) Depreciation expenses
5. In the calculation of depreciation following items are actually estimates except: all of the

a) Useful life	b) Purchase Price
c) Scrap Value	d) Historical cost
6. Ownership of good under hire purchase agreement is transferred at the time of

a) payment of down payment	b) Payment of first installment
c) Payment of last installment	d) None of the above

B) Definitions / One-liners / Terms. (Each of one mark)**(06)**

1. Dividend
2. Finance
3. General reserve
4. Debenture redemption fund
5. Depreciation
6. Dividend equalization fund

Q.2 Numerical / Short Note Questions. (Each of 04 mark)**(12)**

1. Difference between Transaction & Event.
2. Explain Meaning & Features of Consignment in brief.
3. Difference between Journal & Ledger.

Q.3 Answer the following. (Any Three)**(18)**

1. Explain Trading account, P/L account & Balance sheet in detail with example.

2. Vimal Mills Ltd. sent 100 pieces of suiting to Lal Garments House of Delhi on consignment basis. The consignees are entitled to receive 5 per cent commission plus expenses. The cost of Vimal Mills Ltd. is Rs. 200 per suiting. Lal Garments House pays following expenses : Railway Freight Rs. 500, Godown Rent & Insurance Rs. 1,000, Vimal Mills Ltd. draw on the consignees a bill for Rs. 10,000 which is duly accepted. Subsequently it is discounted for Rs. 9,500. The consignees informed the consignor of the sale of the entire consignment for Rs. 28,500. Show journal entries and ledger accounts in the book of the consignor.

3. Distinction between Consignment & Sale.

4. On April, 1, 1988 Shyamlal purchased a plant on hire-purchase system. According to the terms of the agreement ` 80,000, was to be paid on the signing of the contract. The balance was to be paid in four annual installments of ` 50,000 each plus interest. The cash price of the plant was ` 2,80,000. Interest chargeable on outstanding balance was 20% per annum. You are required to calculate interest.

Q.4 Answer the following. (Any two)

(18)

1. The following is the Trial Balance of A Ltd. as at 31st March, 2004. You are required to prepare final account with horizontal format.

Particulars	Debit	Credit
Cash	12,000	
Bank	200,000	
Purchases/Sales	1,97,000	1,05,000
Investments	50,000	
Returns	7,000	25,000
Carriage Inward	12,000	
Carriage Outward	3,500	
Salary	72,000	
Commission	600	
Machinery	1,20,000	
Wages	2,500	
Closing Stock	23,000	
Rent	48,000	
Postage	2,100	
Outstanding Expenses		1,000
Drawings	24,000	
Travelling Expenses	1,500	
Repairs	7,000	
Depreciation	10,000	
Debtors Creditors	1,55,500	1,41,000
Loan(Short term)		15,000
Capital Account		6,60,700
Total	9,47,700	9,47,700

2. Explain Types of branches in detail.
3. Explain in term of inland Branches.