

PARUL UNIVERSITY
FACULTY OF COMMERCE

B.Com. (Hons) Winter 2017 – 18 Supplementary Examination

Semester: II

Date: 23/12/2017

Subject Code: 16100151

Time: 10:30am to 1:00pm

Subject Name: Financial Accounting

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) Choose the correct option. (Each of one mark) (06)**

- 1 Which account is the odd one

a) furniture	b) materiality
c) matching	d) periodicity
- 2 Narrations are given at the end of

a) final accounts	b) trial balance
c) each ledger account	d) each journal entry
- 3 Which of the following is not an transaction?

a) goods are purchased on cash basis for rs.1000	b) salaries paid for the month of may 2009
c) land is purchased for rs.10 lacs	d) an employee is dismissed from the job
- 4 Payment of personal expenses of the owners of business need to be recorded as:

a) drawing	b) liabilities
c) expenses	d) gains
- 5 The petty cashier generally works on System.

a) accrual	b) expense
c) balancing	d) none of above
- 6 Drawings are deducted from

a) sales	b) purchases
c) expenses	d) capital

B) Define below Terms. (Each of one mark) (06)

- 1 Stock Reserve
- 2 Hirer
- 3 Down Payment
- 4 Hire purchase Accounting
- 5 Interim Dividend
- 6 Unpaid Dividend

Q.2 Answer the Following. (Each of 04 mark) (12)

- 1 Enlist features of Consignment Accounts with its definition.
- 2 Explain Debtors Method in Branch Accounting.
- 3 Which are the different types of commission? Explain with proper example.

Q.3 Answer the following. (Any Three) (Each of 06 mark) (18)

- 1 Difference between consignment and sale.
- 2 Short Note : section 124 unpaid dividend account
- 3 What is Branch Accounting? How will you describe it?
- 4 On 01.04.2005, V purchased a computer from X Ltd hire purchase basis. The cash price of computer is Rs. 75,000 payable Rs. 15,000 as cash down and three installments of Rs. 23,000, Rs. 22,000 and Rs. 21,000 on 31st March 2006, 2007 and 2008 respectively. Interest is charged

@ 5% p.a. calculate the amount of interest paid by buyer to seller every year.

Q.4 Answer the following. (Any Two) (Each of 09 mark)

(18)

1. Distinguish Hire Purchase system and Installment system.
2. Mr. Dorai Raj, the proprietor of Hindustan Enterprises presents the following trial balance for the financial year 2009-2010 and the data regarding adjustment.

Particulars	Dr (Rs)	Cr (Rs)
Cash	17,125	
Accounts Receivable	35,000	
Supplies	6,350	
Prepaid Insurance	3,100	
Office Equipment	25,8250	
Accumulated Depreciation		48,500
Account payable		4,625
Unearned Fees		6,250
Dorai Raj's Capital		1,45,000
Dorai Raj's Drawing	26,000	
Fees Earned		2,95,625
Wages	1,12,075	
rent	21,000	
Utilities Expenses	13,575	
Miscellaneous Expenses	7,525	
	5,00,000	5,00,000

The Data needed to determine yearend adjustments are as follows:

- i) Supplies on hand at March 31, 2010 are Rs. 1,900
- ii) Insurance Premiums expired during the year are Rs. 1,575
- iii) Depreciation of equipment during the year is Rs.24,750
- iv) Wages accrued but not paid at March 31, 2010 are Rs.220
- v) Accrued fees earned but not recorded at March 31, 2010 are 5,000
- vi) Unearned fees on March 31, 2010 are 3,750

Prepare Trading account, P&L Account and Balance sheet for the Company.

3. 1,000 bicycles were consigned by Roy & Co. of Calcutta to Tinu of Rangoon at an invoice cost of Rs. 950 each. Roy & Co. paid freight Rs 65,000 and insurance Rs 11,500. During the voyage 100 bicycles were totally damaged by fire and had to be thrown overboard. Tinu took delivery of the remaining bicycles and paid Rs.86, 400 for customs duty.

Tinu sent a bank draft to Roy & Co. For Rs.3, 20,000 as advance payment and later sent an account sales showing that 800 bicycles were sold at Rs.1, 400 each. Expenses incurred by Tinu on godown rent and advertisement etc., amount to Rs.12, 500. He is entitled to a commission of 5%.

Prepare the consignment account. Tinu's Account and Abnormal loss A/c in the books of Roy & Co., assuming that nothing has been recovered from the insurers due to a defect in the policy.