

PARUL UNIVERSITY
FACULTY OF LAW
I-B.Com. LL.B. Summer 2018 – 19 Examination

Semester: 4**Date: 18/04/2019****Subject Code: 17302282****Time: 10:30am To 01:00pm****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. (1 mark each)**(15)****A. True or False**

1. Under the cash basis of Accounting, adjustments are made for outstanding expenses and accrued income.
2. In Triple column Cash Book, cash withdrawn from the bank for office use will appear on the credit side of the Cash Book only.
3. If any error s found in preparation of Trial Balance, it can be rectified only after preparing Balance Sheet.
4. Ledger is also called the “Original Book of Entry”.
5. Interest received is a Nominal Account.

B. Fill in the Blanks

1. The Cost Concept is also known as the _____ Cost Concept.
2. Goods returned by the customers are recorded in _____ book.
3. Under the Accrual Basis of Accounting, revenues are recorded when they are _____.
4. If the Debit Column or Credit Column is totaled wrongly in Trial Balance as Rs. 15,100 instead of Rs. 11,500, it is called _____.
5. A daily record in which all the daily transactions are first recorded chronology is referred to as _____.

C. Choose the correct answer

1. A Trial Balance is prepared to find out
 - a. profit or loss
 - b. financial position
 - c. arithmetical accuracy of accounts
 - d. none of the above
2. Any transaction has
 - a. one aspect
 - b. two aspects
 - c. three aspects
 - d. none of the above
3. A Real account having Debit balance represents
 - a. coming in the business
 - b. receiving from someone
 - c. expense or loss
 - d. going out of the business
4. While totaling a Subsidiary Book, errors that are committed are called
 - a. error of casting
 - b. error of omission
 - c. error of commission
 - d. error of posting
5. Accounts in the nature of Assets are called
 - a. nominal accounts
 - b. personal accounts
 - c. real accounts
 - d. impersonal accounts

Q.2 Write short notes on the following (3 marks each) (15)

- A. Assumptions of Accounts
- B. Types of Subsidiary Books
- C. Rectification of Errors
- D. Types of Accounts along with the golden rules
- E. Differentiate between Cash Basis of Accounting and Accrual Basis of Accounting

Q.3 A1. Explain Types of Errors in detail (08)

A2. Explain the Accounting Formulae in detail (07)

OR

B. From the following transactions prepare Trial Balance (15)

Particulars	Amount (Rs.)
Cash in hand	4,200
Cash at Bank	16,800
Bills Receivable	18,000
Bills payable	16,000
Debtors	24,600
Creditors	32,400
Capital	50,000
Drawings	18,000
Sales	1,05,000
Purchases	75,000
Carriage inward	2,700
Salaries	12,000
Advertisement	2,400
Insurance Claim	1,600
Furniture	7,500
Stock	18,600
Office Rent	2,000

Q.4 A) Rectify the following errors (07)

Particulars	Debit (Rs.)	Credit (Rs.)
Capital A/c	13,450	-
Cash in hand	1,400	-
Bank Overdraft	9,320	-
Sales	-	2,36,400
Purchases	1,06,400	-
Sales Return	-	13,400
Purchase Return	2,960	-
Carriage Outward	2,360	-
Carriage Inward	-	14,260
Salaries	13,260	-
Debtors	16,300	-
Creditors	-	37,360
Opening Stock	-	94,120
Land & Building	15,000	-
Plant & Machinery	20,900	-
Trade Expenses	2,090	-

B) Pass Journal Entries**(08)**

Date	Particulars
Jan. 02	Owner contributed cash Rs. 50,000 and a new computer costing Rs. 20,500 to start the business.
Jan. 04	Goods purchased on credit for Rs. 4,000.
Jan. 10	Received Commission of Rs. 20,000 by cheque.
Jan. 12	Paid the electricity bills for Rs. 2,750.
Jan. 15	Paid the Rs. 3,000 for the purchase of goods on Jan. 4.
Jan. 24	Received rent for Rs. 5,000.
Jan. 27	Sold goods worth Rs. 20,000 for Rs 18,000 on cash.
Jan. 30	Withdrew Rs. 10,000 from business.