

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com Mid Semester Examination 2016

Semester : I

Subject Code : 16100104

Subject Name : Fundamentals of Accounting

Date : 20/10/2016

Time : 2 Hours

Total Marks: 40

Instructions:

1. Attempt all questions from each section
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

Q.1 Choose the correct option.

(5%)

- 1) Revenue from sale of product is generally, realized in the period in which (company follows accrual basis of accounting)
 - (a) Cash is collected
 - (b) Sale is made
 - (c) Products are manufactured
 - (d) None
- 2) The debts written off as bad debt, if recovered subsequently are
 - (a) Credited to bad debts recovered account
 - (b) Credited to trade receivables account
 - (c) Debited to profit and loss account
 - (d) None of the above
- 3) Purchase of machinery for cash
 - (a) Decreases total assets
 - (b) Increases total assets
 - (c) Retains total assets unchanged
 - (d) Decreases total liabilities
- 4) Accounting standards in India are issued by
 - (a) Central Govt.
 - (b) State Govt.
 - (c) Institute of Chartered Accountants of India
 - (d) RBI
- 5) Under WDV method the rate of depreciation remains _____ year after year, whereas the amount of depreciation goes on _____.
 - (a) Decreasing, Constant
 - (b) Increasing, constant
 - (c) Constant, decreasing
 - (d) None of the above
- 6) Ledger book is popularly known as
 - (a) Secondary book of accounts
 - (b) Principal book of accounts
 - (c) Subsidiary book of accounts
 - (d) None of the above
- 7) Which of the following is wrong?
 - (a) All real and personal accounts are transferred to balance sheet
 - (b) Nominal accounts are transferred to P & L account
 - (c) Rent is a personal account, outstanding rent is nominal account
 - (d) Each account is opened separately in ledger
- 8) All of the following are functions of accounting except
 - (a) Ledger posting
 - (b) Measurement
 - (c) Forecasting
 - (d) Decision making

Q.2 (a) What is an account? Explain various types of accounts with examples. (04)

Q.2 (b) Write a brief note on Accounting cycle. (04)

Q.3 (a) Record the following transactions of Aaja Fasaja and Company Ltd. in the journal. (04)

2016

April 1 : Started business with cash 10000

April 5 : Purchased goods from Kurdish for cash Rs. 2000

April 12 : Sold goods to Nilesh Rs. 1500 and paid carriage of Rs. 100 on his behalf.

April 16 : Purchased a cupboard Rs. 2800

April 24 : Paid rent Rs. 850 and paid salary to the accountant Rs. 1000

April 26 : Received Commission Rs. 1200 from Nisha Singh

April 29 : Paid daughter Susmita's college fees Rs. 450

April 30 : Received Rs. 1550 as settlement for Nilesh's account.

Q.3 (b) Mr. ABC purchased a machine costing Rs. 300000 on Jan 1, 2012. The depreciation is to be charged at 15% p.a. write up the machine account for three years ending on Dec 31, 2015 under SLM and WDV method. (Note: No need to pass the journal entries) (04)

Q.4 Write Short Notes. (Any 2 out of 3) (08)

(a) Money measurement

(b) Going concern

(c) Consistency

Q.5 Define the term "Accounting standards". Explain objectives, benefits and limitations of accounting standards. (08)

OR

Q.5 Journalize the following transaction in the books of Praveen and post them in the ledger, balance them and prepare the trial balance for the same. (08)

April 2009

5: Sold goods for cash Rs. 20000

7: Bought goods for credit from Govind Rs. 15000

10: Sold goods on credit to Roy Rs. 10000

15: Received from Roy Rs. 7000

22: Paid to Govind Rs. 5000