

Seat No: _____

Enrollment No: _____

**PARUL UNIVERSITY
FACULTY OF COMMERCE**

B.Com (Hons) - Mid Term Examination - April '17

Semester : II

Date: 11/04/ 2017

Subject Code : 16100151

Time: (2 hrs)

Subject Name: Financial Accounting

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 from given below.

(08)

1. Any profit or loss on consignment belongs to _____ only.
a. Consignee b. Consignor c. Consignment d. none of the above
2. Who sell goods in the case of consignment?
a. Agent b. Consignor c. Consignment d. none of the above
3. Return Outwards appearing in trial balance are deducted from:
a. Sales b. Purchases c. Return Inwards d. Closing Stock
4. Return paid on debentures is _____
a. Interest b. dividend c. Commission d. Tax
5. What the name of special account in which unclaimed dividend is deposited
a. Unpaid Account c. Unpaid Dividend Account
b. Dividend Account d. None of the above
6. What is the duration after which, unpaid dividend is transferred to company's account
a. 2 years b. 3 years c. 5 years d. 7 years
7. Wages and Salaries appearing in Trial Balance are shown:
a. On the debit side of Profit and Loss Account
b. On the debit side of Trading Account

- c. On the liabilities side of the Balance Sheet
- d. None of the above

8. Profit is the excess of revenues for the period over the payments for the periods.

- a. TRUE
- b. FALSE

Q.2 The following Trail Balance extracted from the books of a Merchant Mr Nageswara Rao on 31.03.20X2. (08)

PARTICULARS	Dr. (Rs)	Cr. (Rs)
Furniture and Fittings.....	640	---
Motor Vehicles.....	6,250	---
Building.....	7,500	---
Capital.....	---	12,500
Bad Debts.....	125	---
Provision for Doubtful Debts.....	---	200
Sundry Debtors and Creditors.....	3,800	2,500
Stock as on 1.4.20X1.....	3,460	---
Purchases and Sales.....	5,475	15,450
Bank Overdraft.....	---	2,850
Sales and Purchases returns.....	200	125
Advertising.....	450	---
Interest on Bank Overdraft.....	118	---
Commission.....	---	375
Cash.....	650	---
Taxes and Insurance Premium.....	782	---
General Expenses.....	1,250	---
Salaries.....	<u>3,300</u>	---
	34,000	34,000

Adjustments

- a) Stock on hand on 31.03.20X2 Rs 3,250.
- b) Depreciate Building @ 5% p.a.; Furniture @ 10% p.a.; Motor Vehicles @ 20% p.a.
- c) Rs 85 is due for interest on Bank Overdraft.
- d) Salaries Rs 300 and Taxes Rs 200 are outstanding.
- e) Insurance Premium amounting Rs 100 prepaid.
- f) One-third of the commission received is in respect of work to be done next year.
- g) Write off a further sum of Rs 100 as bad debts from Debtors and create provision for Doubtful Debts @5% on debtors.

Q.3 (A) Define Dividend. Discuss the Provisions governing declaration and payment of dividend. (04)

(B) Define Branch. Discuss the Types of Branch. (04)