

15 OCT 2019

**EXAMINATION – OCTOBER 2019**  
**BCOM (HONS) SEM-1**  
**FUNDAMENTALS OF ACCOUNTING**  
**SUBJECT CODE -21314**

**TIME: 2.5hrs****MARKS: 70**

1(A)	Record the following transactions of Shri Mehta , in his journal, post them to ledger accounts, find out the balance:	14																																													
	<table><tr><td>2019</td><td></td></tr><tr><td>May 1</td><td>Mehta started business with cash Rs.50000</td></tr><tr><td>2</td><td>Purchased goods of Rs.15000 at a trade discount of 10% from Jani.</td></tr><tr><td>5</td><td>Jani paid Rs.10000 on account.</td></tr><tr><td>7</td><td>Sold goods worth Rs.8000 to Joshi Rs.7000 for cash and opened a bank account with that amount.</td></tr><tr><td>9</td><td>Purchased a typewriter for Rs.8500</td></tr><tr><td>12</td><td>Sold goods for cash at a trade discount of 10% to jayshree Rs.12000</td></tr><tr><td>14</td><td>Sold goods of Rs.5000 purchased from Jani to Josh at a profit of 10%</td></tr><tr><td>18</td><td>Josh returned goods of Rs.1100 which we returned to Jani.</td></tr><tr><td>24</td><td>Received Rs.3000 by a crossed cheque from Josh</td></tr><tr><td>31</td><td>Paid Rs.1500 for rent by a cheque.</td></tr></table>	2019		May 1	Mehta started business with cash Rs.50000	2	Purchased goods of Rs.15000 at a trade discount of 10% from Jani.	5	Jani paid Rs.10000 on account.	7	Sold goods worth Rs.8000 to Joshi Rs.7000 for cash and opened a bank account with that amount.	9	Purchased a typewriter for Rs.8500	12	Sold goods for cash at a trade discount of 10% to jayshree Rs.12000	14	Sold goods of Rs.5000 purchased from Jani to Josh at a profit of 10%	18	Josh returned goods of Rs.1100 which we returned to Jani.	24	Received Rs.3000 by a crossed cheque from Josh	31	Paid Rs.1500 for rent by a cheque.																								
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1(A)(I)	Write a note on Branches of Accounting.	07																																													
1(A)(II)	Explain Accounting conventions.	07																																													
1(B)	Answer the following in brief: (Any Four) 1. What is going concern concept? 2. What is Accrual Concept? 3. What are subsidiary books? 4. What are Economic transactions? 5. Write Equation for Dual aspect concept. 6. Name fundamental accounting assumptions.	04																																													
2(A)	The following is the Trial Balance of Naman as on 31-3-2019. Prepare his final accounts: <table><tr><td>Particulars</td><td>Debit</td><td>Credit</td></tr><tr><td>Drawings-Capital</td><td>3000</td><td>45000</td></tr><tr><td>Purchases-Sales</td><td>82000</td><td>120000</td></tr><tr><td>Goods returns</td><td>2100</td><td>1700</td></tr><tr><td>Provident Fund Investments and Provident Fund</td><td>12000</td><td>13000</td></tr><tr><td>Contribution to provident fund</td><td>1100</td><td>-</td></tr><tr><td>Stock (1-4-2018)</td><td>18000</td><td>-</td></tr><tr><td>Furniture &amp; fixtures</td><td>5000</td><td>-</td></tr><tr><td>Building</td><td>40000</td><td>-</td></tr><tr><td>Debtors-Creditors</td><td>30360</td><td>41000</td></tr><tr><td>Discount</td><td>500</td><td>300</td></tr><tr><td>Stationery</td><td>200</td><td>-</td></tr><tr><td>General Expenses</td><td>11200</td><td>-</td></tr><tr><td>Salary</td><td>18000</td><td>-</td></tr><tr><td>Scooter</td><td>10000</td><td>-</td></tr></table>	Particulars	Debit	Credit	Drawings-Capital	3000	45000	Purchases-Sales	82000	120000	Goods returns	2100	1700	Provident Fund Investments and Provident Fund	12000	13000	Contribution to provident fund	1100	-	Stock (1-4-2018)	18000	-	Furniture & fixtures	5000	-	Building	40000	-	Debtors-Creditors	30360	41000	Discount	500	300	Stationery	200	-	General Expenses	11200	-	Salary	18000	-	Scooter	10000	-	14
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	Adjustments: 1. Value of closing stock is Rs.35000 and its market value is Rs.30000. 2. Calculate interest on capital at 5%. 3. Depreciate Building @2.5% and furniture and fixtures @5%. 4. Stock of stationery on 31-3-2019 is Rs.20. 5. Of the debtors Rs.360 is to be written off as bad debts and provision at 5% on debtors is to be made for doubtful debts. 6. Calculate interest on Priyam Patel's loan for whole year.																																										
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<b>2(A)(I)</b>	Write a note on capital and revenue items.	<b>07</b>																																									
<b>2(A)(II)</b>	Explain formation of Accounting Standards.	<b>07</b>																																									
<b>2(B)</b>	Answer the following in brief: (Any Four) 1. Write the adjustment entry for goods withdrawn for personal use. 2. Balance sheet is not an .....but is a..... 3. Show the effect of – Credit purchase on recorded in the Final Accounts. 4. Write an adjustment entry for closing stock? 5. What is depreciation? 6. Bad debt reserve and Discount reserve are to be calculated on which balance?	<b>04</b>																																									
<b>3(A)</b>	<p>Sunil maintains his books by single entry. You are required to prepare his trading and profit and loss account for the year ending 31-12-2018 and Balance Sheet on that date.</p> <p style="text-align: center;"><b>Summary of the Cash Book</b></p> <table><tr><td>Cash balance (1-1-2018)</td><td>4800</td><td>Cash purchases</td><td>7500</td></tr><tr><td>Received from debtors</td><td>110000</td><td>Salaries</td><td>13500</td></tr><tr><td>Cash sales</td><td>9000</td><td>Wages</td><td>6250</td></tr><tr><td>Sundry receipts</td><td>1350</td><td>General expenses</td><td>3800</td></tr><tr><td>Paid to creditors</td><td>68000</td><td>Drawings</td><td>5000</td></tr></table> <p>Details regarding assets and liabilities:</p> <table><tr><td>Particulars</td><td>1-1-2018</td><td>31-12-2018</td></tr><tr><td>Building</td><td>18000</td><td>25000</td></tr><tr><td>Furniture</td><td>4500</td><td>3000</td></tr><tr><td>Machinery</td><td>25000</td><td>25000</td></tr><tr><td>Debtors</td><td>32000</td><td>28000</td></tr><tr><td>Creditors</td><td>13000</td><td>21000</td></tr><tr><td>Stock</td><td>20500</td><td>26500</td></tr></table> <p>Discount allowed during the year Rs.1600; discount received Rs.900 ; sales returns Rs.400 and Purchase returns Rs.1000. depreciate building and furniture by Rs.1500 and Rs.300 respectively. Maintain bad debts reserve at 5% on debtors. Allow interest on capital at 5%.</p>	Cash balance (1-1-2018)	4800	Cash purchases	7500	Received from debtors	110000	Salaries	13500	Cash sales	9000	Wages	6250	Sundry receipts	1350	General expenses	3800	Paid to creditors	68000	Drawings	5000	Particulars	1-1-2018	31-12-2018	Building	18000	25000	Furniture	4500	3000	Machinery	25000	25000	Debtors	32000	28000	Creditors	13000	21000	Stock	20500	26500	<b>14</b>
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<b>3(A)(I)</b>	Write a note on Red Ink Interest Method	<b>07</b>																																									
<b>3(A)(II)</b>	Write a detail note on Voyage Account.	<b>07</b>																																									

3(B)	Answer the following in brief: (Any three) 1. In mixed single entry.....subsidiary books are kept and ..... accounts are kept in the ledger 2. .... account is prepared to find out credit sales. 3. .... account is prepared to find out credit purchase. 4. What is account current? 5. In Bills how many days are taken for gracing?	03
4(A)	On 15 <sup>th</sup> June 2008, the premises of Bad Fire company were destroyed by fire. The books and records being saved. The following particulars were available: Stock on 1 <sup>st</sup> Jan 2008 (at cost) 73500 Stock on 31 <sup>st</sup> Dec 2008 (at cost) 79600 Net purchase for the year ending 31 <sup>st</sup> Dec 2007 398000 Net sales for the year ending 31 <sup>st</sup> Dec 2007 487000 Net purchase from 1-1-2008 to 15 <sup>th</sup> June 2008 162000 Net sales from 1-1-2008 to 15 <sup>th</sup> June 2008 231200 In valuing the stock on 31 <sup>st</sup> Dec 2007, Rs.2300 had been written off. Some goods which had original cost Rs.6900 was damaged. Some of these goods costing Rs.3450 had been sold in March 2008 at a loss of Rs.250. the balance of the stock was valued at cost. Except this transaction, the rate of gross profit had been uniform. The value of salvaged goods was Rs.5800. prepare statement of claim.	14
OR		
4(A)(I)	Write a note on ledger Adjustment Accounts	07
4(A)(II)	What is self Balancing? Write its advantages.	07
4(B)	Answer the following in brief: (Any Three) 1. What is consequential loss policy? 2. What is average clause? 3. What is Abnormal loss? 4. What is an Annual turnover? 5. What is Memorandum Trading Account?	03