

**FA 01**

Roll No. \_\_\_\_\_

Total No. of Printed Pages : 3

Total No. of Questions: 5

Maximum Marks : 60

Duration (Hrs) : 3

*Financial Accounting.***Question 1****(Marks 15)**The following is the trial balance of S and S as of 31<sup>st</sup> December, 2007.

Particulars	Debit	Credit
Cash	1,080	
Bank	5,260	
Purchases	81,350	
Return outwards		1,000
Sales		197,560
Returns Inwards	1,360	
Wages	20,960	
Power and Fuel	9,460	
Carriage on sales	6,400	
Carriage on Purchases	4,080	
Opening Stock	11,520	
Building	60,000	
Land	20,000	
Machinery	40,000	
Salaries	30,000	
Furniture	15,000	
General Expenses	6,000	
Insurance	1,200	
Capital		142,000
Drawings	10,490	
Accounts Receivable	29,000	
Accounts Payable		12,600
	<b>353,160</b>	<b>353,160</b>

**Taking into account the following adjustments prepare the Trading, profit and loss account and the balance sheet for the year ended 31, December, 2007.**

1. Closing Stock on 31<sup>st</sup> December, 2007 Rs. 13,600
2. Machinery to be depreciated at the rate of 10% and Furniture at the rate of 20%. on straight line method
3. Salaries of the month December 2007 amounting to Rs. 3,000 unpaid
4. Insurance included a premium of Rs. 170 for next year
5. Wages include a sum of Rs. 4,000 spent on Building improvements
6. A provision for doubtful debts is to be created to the extent of 5% on Accounts Receivable

**Question 2 A****(Marks 9)**

Enter the following transactions in the subsidiary books(three columnar cash book, sales book, sales return book, purchased book , purchase return book and Journal Proper, post them into the ledger and prepare trial balance

Date	Particulars	Amount
September		
2009		
1	Shekhar commence business with cash	150,000
4	Baught furniture form Lall Furniture House on credit	5,000
5	Purchase goods for cash	10,000
8	Purchased goods from S and co. for Rs.15,000 . Trade discount 10%	
9	Opened bank a/c by depositing money	20,000
10	Sold goods for cash	20,000
10	Purchsed stationery at RK mart	500
11	Sold goods to Zubin	13,000
14	Goods returned by Zubin	3,000
15	Payment to S and Co by cheque	5,000
20	Goods purchased for credit from Marshal and Co	10,000
25	Goods returned to Marshal andCo	2,000
28	Paid electricity bill	500
29	Cash sales	10,000
30	Withdrew for private use from the bank	2,000

**Question 2 B****(Marks 6)**

Consider the Following data in respect of material traded by Success Ltd. During the month of June, 2008

Opening stock as of June 1, 2008 is 1000 kgs at Rs.20 per kg

	Quantity	Rate	Quantity
10/062008	500	25	
15/06/2008			750
20/062008	500	30	
30/06/2008			750

**Calculate the value of stock held by the company under the weighted average method as of June 30, 2008**

**Question 3 A****(Marks 5)**

On April1, 2006, Gupta Brothers purchased two machines for Rs. 1,50,000 each. Depreciation at the rate of 10% by straight line method was provided. On 31st March, 2008 one machine was sold for Rs.1, 10,000. A new machine was purchased on the same day. **Please show the machinery account for the years 2006-07 and 2007-08**



**Question 3 B****(Marks 5)**

Based on following data, calculate

1. Stock turnover ratio
2. Average collection period
3. Gross profit ratio

	2008	2009
Sales	500,000	550,000
Stocks	50,000	54,000
Debtors	40,000	45,000
Gross Profit	60,000	65,000

**Question 4****(Marks 10)**

Ann Ltd has presented following balance sheet as of 31 December, 2007 and 2008

	2007	2008		2007	2008
Share Capital	600,000	600,000	Building Net	500,000	480,000
General Reserve	26,500	12,000	Plant Net	90,000	85,000
Creditors	8,500	4,000	Stock	5,000	1,000
			Debtors	15,000	10,000
			Cash	25,000	40,000
	<b>635,000</b>	<b>616,000</b>		<b>635,000</b>	<b>616,000</b>

Prepare a cash flow statement for the year ended 31 December, 2008**OR****Question 4****(Marks 10)**From Following financial statements prepare a fund flow statement

	2007	2008		2007	2008
Sundry Creditors	90,000	172,500	Cash	85,000	92,500
ST Bank Loan	125,000	100,000	Securities	25,000	-
Accrued Expenses	57,000	92,500	Sundry Debtors	142,000	197,500
Long Term Loan	150,000	100,000	Stocks	565,000	490,000
Share Capital	1,000,000	1,000,000	Machinery Net	1,450,000	1,375,000
Reserve	885,000	705,000	Other Assets	40,000	15,000
	<b>2,307,000</b>	<b>2,170,000</b>		<b>2,307,000</b>	<b>2,170,000</b>

Depreciation for the year 2008 was Rs. 75,000

**Question 5****(Marks 10)**Briefly explain any five concepts with examples

1. Going concern concept
2. Capital and revenue receipts
3. Entity concept
4. Materiality concept
5. Money measurement concept
6. Dual aspect concept
7. Objective evidence concept