

Register Number:

Date: XX/10/2019

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27 BCom IFA - I SEMESTER SEMESTER EXAMINATION: OCTOBER 2019 BCIFA 1119 - FINANCIAL ACCOUNTING

Time- 2 1/2 hrs

Max Marks-70

This paper contains 4 printed pages and four parts SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

- 1. The accounting concept which dictates that non-current assets should be valued at cost less accumulated depreciation, rather than at their enforced saleable value, is:
 - a. Understandability
 - b. Relevance
 - c. Comparability
 - d. Going concern
- 2. Which of the following statements defines the business entity concept?
 - a. The business will continue to operate for the foreseeable future.
 - A business is always a separate legal entity, distinct from those who own or manage that business.
 - c. A business is never a separate legal entity from those who own or manage that business.
 - d. Financial transactions are recorded and presented from the perspective of the business, rather than from the perspective of the owners or managers of that business.
- 3. Which one of the following statements best describes the purpose of a goods dispatched note (delivery note)?
 - a. It is issued by a customer returning faulty goods to their supplier.
 - b. It is issued by a customer to their supplier and specifies the quantity and type of goods they require to be despatched.
 - c. It is issued by a supplier to their customer and specifies the quantity and type of goods delivered to that customer.

| | d. It is issu | ied by a supplier to the | ir customer a | nd specifies wha | at goods will be | | |
|--|--|-----------------------------------|--|----------------------|------------------------------|--|--|
| | provided | d to them at a specified | d future date. | | | | |
| | Fixed assets are held by business for a) Converting into cash c) Resale Goods sold on credit should be record a) Cash Book c) Sales Book | | b) Generating revenue d) None of the above | | | | |
| 6. Which of the following is incorrect? | | | | | | | |
| | a) Goodwill - intangible asset c) Loose tools tangible-fixed asset d) Outstanding expenses- current assets. SECTION B | | | | | | |
| Answer any THREE of the following questions. Each question carries five marks. | | | | | | | |
| | (3x5marks=15) 7. Give the meaning of a) Profit b) Gain c) Revenue d) Income and e) receipts 8. "Financial Statement reflects the true state of affairs of a Company which help the users to take informed decisions". Discuss the uses of financial statement to different users with an example. 9. Sketch out the format of: a. Purchase order b. Sales Order c. Invoice (2 marks) (2 marks) (1 mark) | | | | | | |
| | 10. FING the h | nain heading and sub half ltems | leading of for | Heading | Sub heading | | |
| | Example | Land and building | | Non Current Asset | Property plant and equipment | | |
| | a) | Furniture | | | | | |
| | b) | Copyright | | | | | |
| | c) | Stock | | | | | |
| | d) | Cash at bank | | | | | |
| | е) | Investment in Bond of Company Ltd | of ABC | | | | |
| | f) | Sundry creditors | | | | | |

g) h)

i)

j)

Debentures

Tax liability

Proposed divided

Reserves and surplus

SECTION C

Answer any TWO of the following questions. Each question carries fifteen marks.

(2x15marks=30)

- 11. Explain the different elements of Financial Statement.
- 12. From the following particulars, find out the errors in cash book and bank statement and prepare Bank Reconciliation Statement as on 31-05-2016 for Ammar Ahmed Sugar Mill Ltd:
- a. Balance as per bank statement overdraft of Rs. 2,118.
- b. The debit side of the cash book had been undercast by Rs. 300.
- c. A Dividend of worth Rs. 90 had been collected by the bank but not recorded in the cash book.
- d. Cheques Rs. 3,000 drawn in December but only 1,200 presented for payment.
- e. Interest amounting 228 had been debited by the bank but not entered in the cash book.
- f. A cheque for Rs. 2,077 was issued by the company for purchase of merchandise and was paid by the bank but not recorded in company's book.
- g. A cheque for Rs. 10,500 issued to Salman & Co. for purchase of Equipment was not encashed.

13. Prepare Journal entries for the following:

The John trading company has undertaken the following transactions during the month of May 2019.

- May 01: Deposited into bank Rs. 1,200
- May 10: Purchased stationary for cash, Rs 150.
- May 15: Purchased merchandise for cash, Rs 1,300.
- May 15: Cash sales Rs 2,350.
- May 18: Cash withdrawn from bank for personal expenses Rs 150.
- May 19: Issued a cheque for merchandise purchased, Rs 1,650.
- May 21: Drew from bank for office use, Rs 650.
- May 24: Received a cheque from S & Sons and deposited the same into bank, Rs 1,560.
- May 25: Paid a cheque to Ali Inc. for Rs400 and received a discount of Rs 15.
- May 27: Bought furniture for cash for office use, Rs 390.
- May 29: Paid office rent by cheque, Rs 450.
- May 31: Paid salaries by cheque Rs 1,760.
- May 31: Withdrew from bank for office use Rs 1,470

SECTION D

Answer the following compulsory question. The question carries fifteen marks. (1x15marks=15)

14. Prepare Financial statement with the following details as on 31st March 2019

| Particulars Particulars | Amount |
|-------------------------|----------|
| Sales | 6,54,000 |

| Opening stock | 58,400 |
|--------------------------------------|----------|
| Purchase of goods | 2,32,080 |
| Salary | 98,470 |
| Provision for bad and doubtful debts | 5,000 |
| Freight charges | 48,880 |
| Sundry expenses | 42,860 |
| Interest paid | 20,000 |
| Furniture | 10,000 |
| Machinery | 1,40,000 |
| Patents | 30,000 |
| Power fuel | 61,810 |
| Bad debts | 3,500 |
| Audit fee | 3,000 |
| Commission received | 20,000 |
| Interest received | 30,000 |
| Income from other sources | 50,000 |
| Purchase of stationeries | 10,000 |

- Further adjustment to be made:

 a) Closing stock Rs 28,880

 b) Create provision for taxation at 30%

 c) Provide 5% depreciation on all fixed assets and 10% depreciation on intangible assets.