

F.Y. Bcom (A/F)
1st sem

Feb-2006

Fin. Acc.

Time :- 2 hours

DYNAMO

Marks :- 60

- N. B. : 1) All Questions are compulsory.
2) Solve part (A) or part (B) from each of the Questions.

Q.1 a) Following is the Trial Balance of Sw Ltd. for December 2004.

Debit Balances	Rs.	Credit Balances	Rs.
Opening stock :		Creditors	17,000
Raw Materials	23,000	Bills payable	8,500
Work in progress	10,000	Sale of scrap	1,500
Finished goods	15,500	Commission	350
Debtors	27,000	Provision for	
Carriage inwards	1,500	Doubtful Debts	1,650
Bills Receivable	18,000	Capital A/c	1,00,000
Wages	12,000	Sales	2,00,000
Salaries	10,000	Current A/c	9,700
Telephone	500		
Postage	200		
Repairs to plant	1,200		
Repairs to Furniture	600		
Purchases	1,00,000		
Cash	12,000		
Plant and Machinery	90,000		
Furniture	9,000		
Rent	5,000		
Lighting	1,300		
General Expenses	1,600		
Total	3,38,700	Total	3,38,700

The following additional information is provided :

- Closing stock Raw Materials Rs. 15,800
Finished goods Rs. 18,200
Semi- finished goods Rs. 7,000
- Salaries unpaid Rs. 1,000 and wages unpaid Rs. 3,000 as on 31/12/2004.
- Machinery is to be depreciated by 10% and furniture by 5%.
- Provision for doubtful debts to be maintained at 1%.
- Lighting is to be divided between office & factory as Rs. 300 and Rs. 1,000 respectively.
- Rent is to be divided as 1/4th for factory and 3/4th for office. Prepare the manufacturing A/c, Trading and P & L A/c and Balance sheet.

OR

- Q.1 b)** Prepare Machinery A/c and Provision for Depreciation A/c for the year ended 2001, 2002, 2003, 2004 and 2005. Following purchases are made.

Date	Amount
1-1-2001	Rs. 2,00,000
1-6-2003	Rs. 50,000
1-10-2004	Rs. 20,000
Sales are as follows. Date Amount	
1-1-2005	Rs. 10,000

(Original cost on 1-1-2001 Rs. 30,000)

Depreciation is to be charged at the Rate of 10% on written down value year ending is 31st December. 15

- Q.2 a)** Prepare Trial balance from following information : for the year ended 31/3/2005.

Balances on 1/4/2004	Cash	2000
	Debtors	5000
	Creditors	10,000
	Fixed assets	3000

Transactions during the period.

- 1) Cash received from debtors Rs. 50,000 and credit sales of Rs. 60,000.
- 2) Cash paid to creditors Rs. 60,000 and credit purchases Rs 80,000.
- 3) Depreciate fixed assets by 10% 15

OR

- Q.2 b)** Give Journal entires and ledger accounts for following transactions :

- 1) S. Ltd purchased fixed assets of Rs. 20,000 and paid Octroi of Rs. 20 on the same.
- 2) Repairs to furniture Rs. 200 paid.
- 3) Renovation of building Rs. 1,00,000 which has increased the life building by 6 years paid. 15

- Q.3 a)** State whether following expenditure and Income is capital or Revenue in nature.

- 1) Advertising campaign of Rs. 2,00,000 on lauch of new product.
- 2) Purchase of second hand furniture and repairs to this furniture.
- 3) Salaries paid to workers for installation of machinery.
- 4) Capital of Rs. 20,000 brought by owner.
- 5) Money borrowed from bank Rs. 1,00,000 and Interest paid on Loan Rs. 10,000 15

OR

- Q.3 b) On 31/3/2005 Shree Ram, balanced books of A/cs which did not tally. The difference in trial balance was debited to suspense A/c Rs. 783. Later following errors were noticed. Give Journal entries to rectify these errors and prepare suspense A/c.
- 1) The total of purchase book was undercast by Rs. 300.
 - 2) Rs. 228 paid towards repairs of machinery is debited to machinery A/c.
 - 3) Sales book was overcast by Rs. 150.
 - 4) A sale of Rs. 1200 to Mr. D. has been passed through purchase book.
 - 5) Cash Rs. 117 received from Sri M. Das, though entered in the cashbook, has not been posted to Mr. Das A/c.
 - 6) Goods returned by Mr. N. Navin for Rs. 225 have been entered in return outward book. However, Mr. N. Navin's A/c was correctly posted. 15
- Q.4 a) Give short notes on :- 15
1. Accounting assumption.
 2. Accounting policies.
 3. Disclosure of fixed assets as per AS 10.
- OR**
- Q.4 b) (i) What points are to be considered while deciding accounting policies. 6
- (ii) What is cost and what is treatment of revaluation of fixed asset as per AS 10? 9
