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S. No. of Question Paper : 1419

C

Unique Paper Code : 241498

Name of the Paper : Financial Accounting

Name of the Course : B.Sc. (Hons.) Mathematics Credit Course-III

Semester : IV

Duration : 3 Hours

Maximum Marks : 75

(Write your Roll No. on the top immediately on receipt of this question paper.)

All questions are compulsory.

All questions in each section (A, B and C) should be attempted together.

Section A

1. (a) Define Accounting. What are the objectives of Accounting ? 7
- (b) Explain Money Measurement Concept and Conservatism Concept. 8

Or

- (a) What are Accounting Standards ? Explain their significance. 7
 - (b) Distinguish between Accrual Basis of Accounting and Cash Basis of Accounting. 8
2. What is Trial Balance ? What are its objectives ? How is it prepared ? 15

Or

What is Schedule VI of Companies Act ? Discuss its requirements relating to preparation of Profit & Loss Account and Balance Sheet. 15

Section B

3. What is the need of Depreciation ? What are the factors that cause Depreciation ? Explain Straight Line and Written Down Value methods of Depreciation. 15

Or

From the following Trial Balance of Ram Gopal & Sons, on 31st March 2011. Prepare Trading and Profit & Loss Account for the year ending 31st March 2011 and Balance Sheet at that date :

Particulars	Dr. Amount	Cr. Amount
	Rs.	Rs.
Capital	—	3,50,000
Drawings	25,000	—
Plant and Machinery	1,50,000	—
Debtors and Creditors	90,000	40,000
Returns	10,000	12,000
Discount	5,000	4,000
Commission	-8,000	—
Interest on Bank Loan	22,000	—
Furniture	34,000	—

Provision for deubtful debts	—	12,000
Wages	48,000	—
Salaries	60,000	—
Advertisements	15,000	—
Taxes and Insurance	12,000	—
Purchases and Sales	2,40,000	4,80,000
Stock (as on 31.3.2010)	50,000	—
Carriage	12,000	—
Land and Buildings	3,00,000	—
Cash in hand	12,000	—
Cash at Bank	25,000	—
10% bank loan (as on 1.4.2010)	—	2,20,000
Total	<u>11,18,000</u>	<u>11,18,000</u>

Additional Information :

(a) Stock was valued at Rs. 46,000 as on 31.3.2011.

(b) Wages and salaries were outstanding Rs. 5,000 and 4,000 respectively as on 31.3.2011.

- (c) Depreciate Plant and Machinery; Land and Buildings; and Furniture at 15%, 2-1/2%, and 15% respectively.
- (d) Provide for doubtful debts at 10% on debts. 15
4. What are the purposes of Cash Flow Statement ? Explain the methods of preparing Cash Flow Statement. 15

Or

Prepare a stores ledger account from the following transactions under FIFO and Weighted Average method.

- Jan. 1 Received 1000 units @ Re 1 per unit
- Jan. 10 Received 260 units @ Rs. 1.05 per unit
- Jan. 20 Issued 700 units.
- Feb. 4 Received 400 units @ Rs. 1.15 per unit
- Feb. 21 Received 300 units @ Rs. 1.25 per unit
- March 16 Issued 620 units.
- April 12 Issued 240 units
- May 10 Received 500 units @ Rs. 1.10 per unit
- May 25 Issued 380 units. 15

Section C

5. The following is annual accounts of Aakash Ltd :

Balance Sheet at 31st March 2012

Liabilities	Amount	Assets	Amount
Share Capital	4,50,000	Fixed Assets	8,75,000
Retained Profits	2,40,000	Stocks	3,10,000
12% Debentures	7,00,000	Debtors	7,70,000
Trade Creditors	6,20,000	Bank Balance	1,00,000
Proposed Dividend	45,000		
	<u>20,55,000</u>		<u>20,55,000</u>

Extract from year's Profit & Loss Account.

Sales for the year	Rs. 31,00,000
Gross Profit	Rs. 17,25,000
Expenses	Rs. 8,05,000
Depreciation	Rs. 2,50,000

Calculate the following ratios :

- (i) Gross Profit Percentage.
- (ii) Return on total assets.
- (iii) Debtors collection period.
- (iv) Fixed assets turnover.
- (v) Current ratio.

15

Or

X Ltd. has the following balances on 1-1-2012 :

Fixed Assets	15,00,000	
Less : Depreciation	(5,00,000)	10,00,000
Bank		87,500
Other current assets		6,25,500
Current liabilities		2,50,000

Next year's estimates are :

- (i) The company will acquire fixed assets costing Rs. 2,50,000 after selling one machine for Rs. 70,000, costing Rs. 1,50,000 on which depreciation provided will amount to Rs. 90,000.

- (ii) The net profits will be 1,75,000 after providing for a depreciation of Rs. 1,50,000.
- (iii) Current assets and current liabilities (other than bank balance) at 31-12-2007 are estimated to be Rs. 7,50,000 and Rs. 4,00,000 respectively.

At the end of the accounting year, the company deposits all the cash into the bank. Calculate the cash flows from the operations and investing activities for the year 2012. 15