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3881

Your Roll No.

B.Sc. Prog./II

IS

EL 210 (V) – FINANCIAL ACCOUNTING

(NC – Admissions of 2005 & onwards)

Time : 2 Hours

Maximum Marks : 38

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

Attempt four questions in all,
including question number one which is compulsory.

1. Explain the meaning and objectives of Accounting. (5)
2. Prepare Trading and Profit and Loss A/C for the year ending 31st December 2005 & Balance Sheet as at 31st December 2005.

Debit	Rs.	Credit	Rs.
Cash	1080	Returns Outward	1000
Bank	5,260	Sales	197560
Purchases	81,350	Capital	142000
Returns Inwards	1360	Creditors	12600
Wages	20960		
Power	9460		
Carriage Outward	6400		
Carriage Inward	4080		
Stock (1.1.05)	11520		
Buildings	60000		
Land	20000		
Machine	40000		
Salaries	30000		
Patents	15000		
General Expenses	6000		
Insurance	1200		
Drawings	10490		
Debtors	29000		
	353160		353160

P.T.O.

Adjustments :-

- (i) Stock in hand on 31.12.05 is Rs. 13,600.
 - (ii) Depreciate machine @ 10% and Patents @ 20%.
 - (iii) Salaries unpaid Rs. 3000.
 - (iv) Prepaid insurance Rs. 170.
 - (v) Wages include a sum of Rs. 4000 spent on erection of a cycle shed.
 - (vi) Create provision @ 5% on debtors for doubtful debts. (11)
3. Magpie Ltd. imported a machine on 1st July, 2005 for Rs. 200000, paid custom duty and freight Rs. 60000 and paid Rs. 40000 as installation charges. Another machine costing Rs. 100000 was purchased on 1st January 2006. On 1st July 2007, one-third of the imported machine installation 1st July 2005, became obsolete and was sold for Rs. 40,000 and it was replaced by another machine costing Rs. 50,000. Depreciation is to be calculated at 20% p.a. Show machine account from 2005 to 2008. The books are closed on 31st Dec. every year. (11)
4. Journalise the following transactions in the books of Kusam Aggarwal
- (i) She commenced business with Rs. 10,00,000.
 - (ii) Purchased goods of the list price of Rs. 400000 at 20% Trade discount from Ajay.
 - (iii) Sold goods to Abhay Rs. 20000 at 10% trade discount.
 - (iv) Paid wages Rs. 10000, and wages outstanding is Rs. 2000.
 - (v) Goods destroyed by fire Rs. 10,000.
 - (vi) Received Rs. 17,500 in full settlement from Abhay.
 - (vii) Goods given as charity Rs. 5000.
 - (viii) Provide interest on capital @ 10% for one year.
 - (ix) Paid Rs. 95000 to Ajay and received cash discount Rs. 5000.
 - (x) Received Commission Rs. 10,000; Commission still receivable Rs. 5000.
 - (xi) Purchased machine Rs. 100000 for cash & paid Rs. 15000 installation charges. (11)

Additional Information :-

- (i) Dividends of Rs. 25000 was paid.
- (ii) Depreciation written off on machinery is Rs. 10,000 and on buildings is Rs. 15,000.
- (iii) Income Tax provided during the year is Rs. 33,000.

Prepare Cash Flow statement as per AS-3 (Revised). Show all workings.

(11)