[This question paper contains 6 printed pages.]

1970 Your Roll No. ....

B.Sc. Prog. / II **E**

EL 210 (V) – FINANCIAL ACCOUNTING

(NC – Admissions of 2005 and 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 No.* **1** *which is compulsory.*

1. Explain any **one** :

   (i) Matching cost with revenues

   (ii) Historical cost concept (5)

2. The following Trail Balance is extracted from the books of Mr. A as on 31^{st} March, 2013

Debit Balances	Rs.	Credit Balances	Rs.
Opening stock	17,000	Capital	95,000
Purchases	55,000	Creditors	15,000
Sales Returns	5,000	10% Bank Loan (taken on 1st Oct. 2012)	10,000
Carriage inward	1,500	Sales	1,10,000
Carriage outward	2,000	Purchase returns	8,000
Wages	10,000	Wages outstanding	2,000
Salaries	18,000	Salaries outstanding	3,000
Furniture	20,000	Discount received	2,500
Machinery	70,000		
Cash-in-hand and at Bank	10,000		
Sundry Debtors	18,000		
Rent, rates & Taxes	3,200		
Insurance	2,000		
Bad Debts	1,000		
Drawings	7,800		
Sundry Expenses	3,000		
Discount Allowed	2,000		
	2,45,500		2,45,500

Additional information :

(i) Closing stock as at 31st March, 2013 was Rs. 11,000.

(ii) Insurance prepaid as on 31st March, 2013 Rs. 500.

(iii) Sundry expenses outstanding as on 31st March, 2013 Rs. 290.

(iv) Charge depreciation on furniture and on machinery @ 10% p.a.

(v) Write off further Bad Debts Rs. 1,000.

(vi) Create provision for Bad and doubtful debts @ 3% of the Debtors.

Prepare Trading and Profit & Loss account for the year ended 31st March, 2013 and Balance sheet as on that date. (11)

3. On 1st April, 1999 a firm purchased a machinery for Rs. 2,00,000. On 1st October in the same accounting year additional machinery costing Rs. 1,00,000 was purchased. On 1st October, 2000, the machinery purchased on 1st April, 1999, having become obsolete was sold off for Rs. 90,000. On 1st October 2001,

new machinery was purchased for Rs. 2,50,000 while the machinery purchased on 1st October, 1999 was sold for Rs. 85,000 on the same day.

The firm provides depreciation on its machinery @ 10% per annum on the original cost on 31st March every year. Show machinery account for three accounting years ending 31st March, 2002. (11)

4. From the following date, calculate cost of goods sold and closing inventory under weighted average and FIFO method using perpetual inventory system.

Jan 1 Stock-in-hand 200 units @ Rs. 25 per unit.

Jan 2 Purchased : 400 units @ Rs. 30 each.

Jan 5 Issued : 300 units

Jan 10 Purchased : 500 units @ Rs. 35

Jan 15 Issued : 200 units

Jan 20 Issued : 200 units

Jan 25 Purchased : 600 units @ Rs. 36 each

Jan 28 Issued : 300 units (11)

5. From the following data, Calculate :

(i) Debt Equity Ratio

(ii) Current Ratio

(iii) Liquid Ratio (11)

Balance sheet as at 31st, March 2006

Liabilities	**Rs.**	**Assets**	**Rs.**
Share Capital	5,00,000	Fixed Assets	6,00,000
Long Term Liabilities	2,50,000	Liquid assets	3,00,000
Current Liabilities	2,50,000	Stock	1,00,000
	10,00,000		10,00,000

6. From the following Balance sheets of X ltd. Prepare Cash Flow Statements as per AS-3 (Revised) :

Liabilities	31.3.2007	31.3.2008	Assets	31.3.2007	31.3.2008
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
10% redeemable preference share capital	1,50,000	1,00,000	Land & building	2,00,000	1,70,000
General reserve	40,000	70,000	Plant	80,000	2,00,000
Profit & loss account	30,000	48,000	Debtors	1,80,000	2,30,000
Provision for tax	40,000	50,000	Stock	77,000	1,09,000
Proposed dividend	42,000	50,000	Bank	25,000	18,000
Creditors	75,000	99,000			
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information :

(i) Depreciation of Rs. 10,000 and Rs. 20,000 has been charged on Plant and Land & building respectively.

(ii) An interim dividend of Rs. 20,000 has been paid.

(iii) Income tax of Rs. 35,000 has been paid.

(11)