

₹2,70,000 as cash down and the balance of cash price in 3 equal installments together with interest at 10% per annum compounded annually. The installments were payable as follows : 1st installment on 31.12.2019, 2nd installment on 31.12.2020, and 3rd installment on 31.12.2021. Bhim paid the first installment on time but failed to pay thereafter. On his failure to pay the 2nd installment, Honda Ltd. Repossessed two cars and valued them at 50% of the cash price. Bhim charges 10% p.a depreciation on straight line method. Prepare necessary ledger account in the books of Bhim for 2018-2020. (13)

[This question paper contains 10 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2055

Unique Paper Code : 61018112

Name of the Paper : Financial Accounting (GEC-1.3)

Name of the Course : **B. Voc. (BFSI) (CBCS), 2018**

Semester : I

Duration : 2½ Hours

Maximum Marks : 55

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. Show your working notes clearly.

1. By giving reasons state the following True or False. (3)

- (a) Balance sheet shows the financial position of a business.
- (b) Closing stock is valued at lower of cost price or market price whichever is less.
- (c) Bank overdraft is a non current liability.

2. (a) Write short notes on any **two** of the following :
(4×2)
- (i) Suspense account in trial balance
- (ii) Accounting Process
- (iii) Benefits of accounting standards
- (b) Explain the conservatism concept and accrual concept by giving example. (5)

OR

On 31st March 2017, the following trial balance was extracted from the books of M/s Sheetal.

Date	Transactions	Units	Price per unit
January 1	Opening balance	2000	25
January 5	Purchases	500	21
January 8	Purchases	200	23
January 15	Sold	300
January 20	Sold	500
January 22	Purchases	150	22
January 25	Sold	350
January 28	Sold	250

5. Ankit of Delhi enters into a joint venture with Rishi of Mumbai to ship silk cloth to Varun in Ajmer. Ankit sends silk of the value of ₹50,000, pays freight ₹2,000, sundry expenses ₹2,500. Rishi sends silk cloth valued at ₹25,000 and pays insurance charges ₹1,000, custom charges ₹300, dock dues ₹700 and other expense ₹1,000. Ankit advances to Rishi ₹8,000 on account of the venture. Ankit receives account sales of the net proceeds from Varun in Ajmer for the whole of the goods amounting to ₹1,50,000. Pass the journal entries and show necessary ledgers in the books of Ankit. (13)

OR

Honda LTD. Sold 3 cars for a total cash sales price of ₹9,00,000 on hire purchase basis to Bhim on 1.1.2018. The terms of agreement provided for

Receipts	₹	Payments	₹
		By Salaries	2,00,000

Additional Information

- (i) Salaries Outstanding on 31st March, 2014 18,000
- (ii) Salaries Outstanding on 31st March, 2015 24,000
- (iii) Salaries paid in advance on 31st March, 2014 10,000
- (iv) Salaries paid in advance on 31st March, 2015 15,000
- (6+7)

OR

- (c) What do you mean by depreciation? What is the need for charging depreciation in final accounts? (5)
- (d) Using the data given below, show the application of LIFO and FIFO under perpetual method of inventory and calculate the cost of goods sold and closing inventory. (8)

Particulars	Dr.	Cr.
Drawings	4,500	
Plant and fixtures	8,000	
Purchases	1,16,000	
Carriage inward	2,000	
Wages	4,000	
Return inward	4,000	
Salaries	10,000	
Printing	800	
Advertising	1,200	
Trade charges	600	
Rent	1,400	
Debtors	25,000	
Bill receivables	5,000	
Investments	15,000	
Discount	500	
Cash at bank	16,000	
Cash in bank	3,000	
Capital		40,000
Sales		1,60,000
Creditors		12,000
Bills Payable		9,000
	2,21,000	2,21,000

The value of stock as at 31st March, 2017 was ₹26,000. You are required to prepare final statements after taking following adjustments

- (i) Interest on capital is to be provided at 6% per annum.
- (ii) An additional capital of ₹10,000 was introduced by Sheetal on 1st October, 2016.

2055

4

- (iii) Plant and fixtures are to be depreciated by 10% per annum.
- (iv) Salaries outstanding on 31st March, 2017 amounted to ₹500.
- (v) Accrued interest on investments amounted to ₹750.
- (vi) 500 are bad debts and a provision of doubtful debts is to be created at 5% on the balance of debtors. (13)

3. (a) On 1st January, Bharat of Delhi sends 300 chests of rare medicines to Sudhir of Mumbai on consignment basis. The cost of each chest was ₹1,000 only. Bharat incurred the following expenses on the consignment. ₹750 on railway freight and ₹450 on insurance Sudhir spent ₹1,200 on various accounts when the chests reached Mumbai. 200 chests were sold by Sudhir uniformly at ₹2,000 per chest. Out of these, 10 chests were sold to a customer on credit and this transaction ultimately proved bad.

Sudhir sent an account sales on 30th June which revealed that he charged 5% as an ordinary commission and 10% as del credere commission.

2055

7

	₹
2014-15	3,000
2015-16	93,000
2016-17	<u>2,000</u>
	<u>98,000</u>

The club has 500 members each paying @ ₹200 as annual subscription. Subscriptions Outstanding as on March 31, 2015 were ₹8,000. Calculate the amount of subscription to be shown as income in the Income and expenditure Account for the year ended March 31, 2016 and show the relevant data in the Balance Sheet as at 31st March 2015 and 2016.

- (b) From the following information, show the salaries item in the Income and Expenditure Account for the year ending 31st March, 2015 and in the Balance Sheet as at 31st March, 2014 and 21st March, 2015 :

AN EXTRACT OF RECEIPT AND PAYMENTS ACCOUNT

For the year ending 31st March, 2015

The consignee sent a demand draft for ₹90,000.
You are required to give in Bharat's books :

- (i) Consignment to Mumbai Account.
 - (ii) Sudhir's personal account.
 - (iii) Goods sent on consignment account.
- (13)

OR

- (b) Delhi headoffice supplies goods to its branch at Jaipur at invoice price which is invoice price+20%. All cash received by the branch is remitted to Delhi and all branch expenses are paid by the head office. From the following particulars related to the branch for the year 2017 prepare branch debtors account , branch stock account and branch adjustment account in the books of head office so as to find the gross profit and net profit by the branch :

	₹
(i) Stock with branch on 1-1-2017 (at invoice price)	66,000
(ii) Branch debtors on 1-1-2017	22,000

P.T.O.

(iii) Petty cash balance on 1-1-2017	500
(iv) Goods received from head office (at invoice price)	2,04,000
(v) Goods returned to head office	8,000
(vi) Credit sales - ₹87,000 , sales returns - ₹3,000, cash sales - ₹1,06,000	
(vii) Allowance to customers on selling price (already adjusted while invoicing) –	2,000
(viii) Cash received from debtors	93,000
(ix) Discount allowed to debtors	2,400
(x) Expenses (cash paid by the head office): rent ₹2,800; salaries 25,000	
(xi) Petty cash	2,000
(xii) Stock with branch on 31-12-2017 (at invoice price)	69,000
(xiii) Petty cash balance on 31-12-2017	100

4. (a) Subscriptions received during the year ended March 31, 2016 by Hyatt Club were as under :