

Set A

Unique Paper Code	:	22415103
Name of the Paper	:	Basics of Accounting
Name of the Course	:	B.Com (H) Sem. I (GE)
Duration	:	3 hours
Maximum Marks	:	75 Marks
Mode	:	Open Book Examination (OBE)

Instruction for candidates

- ❖ Attempt any 04 questions in 03 hours.
- ❖ All questions should have equal marks
- ❖ Students shall answer the question on A4 size papers and marks page number on the top of each page on the first page, the student shall write the following details.
 - Date and time of examination (DD/MM/YYYY, HRS:Min);
 - Examination roll number
 - Name of the Program i.e. B.A., B.Com, B.Sc. (Hons/Pass) etc.
 - Semester
 - Unique Paper Code (UPC)
 - Title of the paper:
 - Name of College/Institution
 - Email id of student
 - Phone number of student
- ❖ Scanning the answer sheet in the Portable Document Format (PDF) format and upload the scanned PDF of answer on the University of Delhi Portal

1. Mr Charnjeet Singh, a shopkeeper, had prepared the following trial balance from his ledger as on 31st March, 2021

Particulars	Dr. Amount	Cr. Amount
Purchase and Sales	6,20,000	8,30,000
Cash in Hand	4,200	
Cash at Bank	24,000	
Stock of Goods on 1-4-2020	1,00,000	
Capital and Drawings	8,000	5,77,200
Salaries	64,000	
Postage and telephones	23,000	
Salesmen's commission	70,000	
Insurance	18,000	
Advertisement	34,000	
Furniture	44,000	
Printing and Stationery	6,000	
Motor Car	96,000	

Bad debts	4,000	
Cash Discount	8,000	
General Expenses	60,000	
Carriage inwards	20,000	
Carriage Outwards	44,000	
Wages	40,000	
Debtors and Creditors	2,00,000	80,000
	<u>14,87,200</u>	<u>14,87,200</u>

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2021 and Balance Sheet as on that date. You are also given the following information:

- (i) Stock on 31.3.2021 was Rs 1,45,000
 - (ii) Purchases include purchase of furniture worth Rs 10,000
 - (iii) Debtors are bad to extent of Rs 5,000
 - (iv) Sales include goods worth Rs 15,000 sent to Ram & Co. on approval and remain unsold as on 31.3.2021 the cost of goods was 12,500.
 - (v) Provision for Bad Debts is to be created at 5% on sundry Debtors.
 - (vi) Depreciate Furniture by 15% and Motor car by 20%.
 - (vii) The Salesman are entitled to a commission of 10% on total sales.
2. KIA Motors Limited Purchased a machinery for Rs 15,00,000 on 1st April, 2015. On 1st October, 2016 another Machinery was purchased for Rs 6,00,000. On 1st October, 2017 a new Machine was purchased for Rs 4,50,000. Depreciation at 20% per annum on the diminishing value. On 1st January, 2019 machine No.2 (purchased on 1st October, 2016) was damaged and had sold for Rs. 2,50,000 and on the same date a new machinery was purchased for Rs. 4,00,000. You are requested to show the machinery account from the accounting year 2015 to 2019. Books are closed on 31st March every year. Company follow the charging to the assets account method for recording of its depreciation in books.
3. .The following transactions have taken place in the month of March 2019.
- April 1: Opening inventory 2,000 units @ Rs.11 per unit.
 April 5: Purchased 5,000 units @ Rs.10 per unit.
 April 15: Sold 5,000 units
 April 16: Sold 500 units
 April 25: Purchased 2,000 units @ Rs.12 per unit
 April 30: Sold 1,000 units
- Calculate the cost of goods sold & Closing stock by using FIFO, LIFO & Weighted average method under perpetual inventory system and period inventory system
4. Accounting principles become Generally Accepted Accounting principles (GAAP) when they satisfy certain norms.” What are those norms? Explain.
 5. What ratio would you consider most important while evaluating the performance and future profitability of a company? Explain.
 6. Which techniques are generally used to examine financial statements? Explain any two techniques in details.



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