

Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics, Margao-Goa

FY BBA(FS), Semester I (REGULAR) Semester End Assessment November 2022

Course Code and Title: BFS CC 1- Fundamentals of Accounting

Duration: 2 Hrs.

Maximum Marks: 60

**Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q. 1 is compulsory.
- 4) Answer any four from Q.2 to Q.6.

Q.1. Write short note on ANY FIVE of the following:

(05\*04=20 Marks)

- a. Voucher
- b. Bank Reconciliation Statement
- c. Financial Statements
- d. Users of accounting information
- e. Accounting concepts
- f. Indian Accounting standard

Q 2. Journalize the following transactions in the books of Aruna Ltd.

(10 Marks)

DATE	TRANSACTIONS
1/12/2021	Deposited cash with bank Rs.40000
15/12/2021	Purchased goods from Lipton & Co. Rs.10000
16/12/2021	Sarees distributed as free samples Rs.5000
17/12/2021	Sold goods to D and Co. Rs. 10000
18/12/2021	Building purchased from Kumar and Co. for Rs. 1000000 and an advance of Rs. 200000 is given in cash
19/12/2021	Paid Lipton & Co. by cheque for the purchases made on 15/12/2021
22/12/2021	Received cheque from D and Co. in full settlement and deposited the same in bank Rs. 9000
23/12/2021	Sold to Viraj and Co. goods Rs. 1000 on cash basis
26/12/2021	Dividend directly received by bank Rs. 2000
28/12/2021	Paid salary to staff Rs. 15000.

**Q 3. From the following particulars make cash book of ACC Ltd. for the month of November 2021.**

**(10 Marks)**

DATE	PARTICULARS
1/11/2021	Cash balance (Cr) Rs 60000; Bank balance Rs 1200000.
4/11/2021	Cash sales Rs 111000; Credit sales Rs 180000 would be received at near future.
6/11/2021	Paid Arman & Co. by cash Rs 15000; Received cash by debtors Rs 54000.
12/11/2021	Paid to vendor by means of cheque worth Rs 81000.
13/11/2021	Paid Electricity bills in cash Rs 7500; Bought goods by cheque Rs 22500.
19/11/2021	With Drew from Bank for office use Rs 4800; Personal withdrawal of cash Rs 30000.
20/11/2021	Received a cheque from Harman Rs 81000 and deposited into the bank.
21/11/2021	Received by cheque from Munisha Rs 40800; Discount Rs 4200 (not deposited).
25/11/2021	Cash sales Rs 63000; Paid wages by bank Rs 45000.
28/11/2021	Deposited Munisha's cheque into bank.

**Q 4. From the following information of Hindustan Ltd, you are required to prepare Income Statement in vertical format for the year ended 31-03-2021:**

**(10 Marks)**

Particular	Amount (Rs.)
Excise Duty	8000
Provision for Tax	10000
Depreciation on Machinery	3300
Sundry Expenses	7000
Rent	4000
Salaries	7500
Materials Consumed	90000
Directors Remuneration	20000
Factory Expenses	2500
Sales	455000
Return inwards (Sales Return)	5000
Purchases	235000
Closing stock	75000
Opening Stock	82000
Wages	30000
Interest on Bank Loan	4000
Interest on investments	5000



Rent received	3000
Motive Power	12000
Transport Charges	1000

**Q.5. Prepare Machinery Account.**

**(10 Marks)**

A firm purchased on 1st April, 2017, a second-hand Machinery for Rs.36000 and spent Rs. 4000 on its installation. On 1st Oct. in the same year another Machinery costing Rs. 20000 was purchased. On 1st October, 2018, the Machinery bought on 1st April, 2017 was sold off for Rs. 12000 and on the same date a fresh Machine was purchased for Rs. 64000. Depreciation is provided annually on 31st March, @ 10% p.a. on the Written Down Value Method. Show the Machine A/c from 1st April, 2017 to 31st March, 2021.

**Q.6. Read the following case study and answer questions:**

**(10 Marks)**

Sam and Jay started with Cash Rs.10000 and Machinery Rs.100000. They decided to set up a production line for PPE kits for the protection from Covid 19 virus. As their demand rose, they decided to buy one more piece of machinery. For the same, they took bank overdraft and purchased the machinery. The quality of the company's product was extremely high and therefore, it could develop a reputation for itself in the market and business was flourishing. After 1.5 years, their old machinery turned obsolete so they decided to sell the same. They sold it and got some cash proceeds. To further increase the brand presence among the concerned stakeholders, they decided to run advertisements from the cash proceeds of machinery sold. As more and more customers demanded their product, they decided to launch a discount for bulk purchases. The discount was not to be recorded in the books of accounts. This campaign was successful and they earned a lot of profits from the same.

- Explain the type of discount discussed in the above case.
- In relation to the case, explain the type of expenditure incurred by the proprietor's.
- Assuming that you are the accountant of this company, elaborate on a method of depreciation that you would suggest.
- Elaborate on the type of liability discussed in the passage.
- Explain the system of accounting that the above Company can use to manage its financial activities.

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