

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**FY B.Com, Semester-I, Supplementary Examination June 2023**  
**Subject: Principles and Practice of Accounting (GE 1)**  
**(Course Code: UCOG107)**

**Duration: 2hrs****Max Marks: 80****Instructions:**

- 1) Question No. 1 is compulsory
- 2) Answer any 3 questions from Question No. 2 to Question No. 6
- 3) Start each question on fresh page.
- 4) Figures to the right indicate maximum marks.

1. The stock in hand of a material in ABC Ltd. on 1<sup>st</sup> September, 2021 was 5000 units @ Rs.1.  
 The following Purchases and Issues were subsequently made: **(20 marks)**

**Purchases:**

Date	Units	Rate (Rs.)
06-09-2021	1000	1.10
20-09-2021	7000	1.20
27-09-2021	4000	1.30
13-10-2021	10000	1.40
20-10-2021	5000	1.50
17-11-2021	4000	1.60

**Issues:**

Date	Units
09-09-2021	1000
22-09-2021	7000
30-09-2021	4000
15-10-2021	10000
22-10-2021	5000
11-11-2021	4000

Find out the value of inventory under LIFO and Weighted Average method.

2. The Balance sheet of Kamat & Co. a partnership firm as on 1<sup>st</sup> April, 2013 and Profit and Loss Statement for the year ending March, 2014 are given below: **(20 marks)**

**Balance Sheet as on 1-4-2013**

Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)
Capital	4,00,000	Plant & Machinery	3,00,000
13% Loan	1,00,000	Furniture and fixture	40,000
Current Liabilities	50,000	Inventory	60,000
		Debtors	50,000
		Cash	1,00,000
	<b>5,50,000</b>		<b>5,50,000</b>

**Profit & Loss Statement for the year ending 31<sup>st</sup> March, 2014**

Particulars	Amt. (Rs.)	Amt. (Rs.)
Sales		10,00,000
<u>Less: Cost of goods Sold</u>		
Opening Inventory	60,000	
Add: Purchases	7,10,000	
Less: Closing Inventory	<u>(70,000)</u>	7,00,000
Gross Profit		3,00,000
Less: Operating Expenses	1,51,000	
Less: Interest on loan	13,000	
Less: Depreciation on Machinery	45,000	
Less: Depreciation on Furniture	<u>4,000</u>	2,13,000
<b>Net Profit</b>		<b>87,000</b>

**Additional Information:**

- Debtors and current liabilities balance remained constant throughout the year.
- Interest on debentures was paid on 31-3-2014.
- The general price index was: On April 1, 2013 : 300; Average for the year: 320 and on March 31, 2014: 360

Prepare Financial Statements for the year 2013-2014 after adjusting Price Level changes under Current Purchasing Power Method.

3. A) Mr. Manu Kumar is a cloth merchant. He purchased 10,000 pieces of garments @ Rs. 100 per piece and sold 8,000 pieces of garments @ Rs. 150 per unit during the accounting year ended 31<sup>st</sup> March, 2022.

He paid shop rent Rs. 3000 per month for 11 months and paid Rs. 8,00,000 to the suppliers of garments and collected Rs. 10,00,000 from the customers.

Prepare Profit & Loss Account for the year end 31<sup>st</sup> March, 2022 and Balance Sheet from the above transactions taking into consideration Matching Concept. **(08 marks)**

B) The following is the Balance Sheet of Mr. Anup a businessman. **(12 marks)**

Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)
Capital	1,50,000	Machinery	2,00,000
Bank Loan	75,000	Cash	1,00,000
Other Loan	75,000		
	<b>3,00,000</b>		<b>3,00,000</b>

**Situation:**

- A new machine was purchased for Rs.50,000 on credit.
- Cash paid to repay bank loan to the extent of Rs. 50,000.
- Obtained additional Bank Loan Rs. 50,000 to repay Other Loan.

Prepare Balance Sheet in each of the above situation taking into consideration Dual Aspect Concept.

4. A). List out the qualitative characteristics of financial statements. **(10 marks)**

B). Illustrate the elements of financial statements with reference to expenses and liabilities. **(10 marks)**

5. Write short notes on: **(4 X 5 mks)**

- Accounting Code of Ethics
- Users of financial statements
- Provisions of AS - 4
- Structural Elements of Environmental Accounting

**6. Write short notes on:****(4 X 5 mks)**

- a. Convention of Consistency
- b. Elements of financial statements with reference to Revenues
- c. Provisions of AS - 29
- d. Areas of Social Responsibility Accounting