

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester-I, Semester End Examination November 2022
Principles and Practice of Accounting (GE I)(UCOG107)

Duration: 2hrs

Max Marks: 80

Instructions:

- (i) Q.1 is Compulsory
- (ii) Answer any three from Q.2 to Q.6
- (iii) Figures to the right indicate full marks.
- (iv) Start each question on fresh page.

Q.1 From the following information compute value of stock as on 30th April 2020 based on

- a) FIFO method
- b) Weighted Average method

Date	Particulars
1 st April	Opening Balance: 50 kgs @ Rs10 (Issued 30 kgs)
2 nd April	Purchased 60 kgs @Rs 10.20
3 rd April	Issued 25 kgs (It is verified that there is shortage of 1 kg)
10 th April	Goods returned to stores: 10 kgs (which were issued to work @Rs 9.15)
15 th April	Issued 40 kgs
22 nd April	Purchased 22 kgs @Rs10.30
28 th April	Issued 38 kgs

(20 Marks)

Q.2A) From the following extract of Balance Sheet of Gauri you are required to show the effect of transactions given below on the financial position of Gauri under dual concept. Prepare Separate Balance Sheet for each transaction.

Liabilities	Amount	Assets	Amount
Capital	3,00,000	Machinery	4,00,000
Bank loan	1,50,000	Cash	2,00,000
Other loan	1,50,000		
	6,00,000		6,00,000

Transactions during the period

- a) A new machine is purchased paying Rs 1,00,000 in cash.
- b) A new machine is purchased for Rs 1,00,000 on credit, cash is to be paid later on
- c) Cash paid to repay bank loan to the extent of Rs 50,000
- d) Raised bank loan of Rs 1,00,000 to pay off other loan

(12 marks)

B) You are required to ascertain the amount of current revenue realized for the year ending 31st March 2021 (8 marks)

- 1) An order to supply goods for Rs 40,00,000 is received in the year 2020-2021. The goods have been supplied only for Rs 20,00,000 during the year.
- 2) What will be the revenue if the payment of Rs 12,00,000 is received in cash in 2020-2021 and the balance payment of Rs 6,00,000 received in 2021-22?
- 3) What will be the revenue if goods have been sold on credit and payment of Rs 15,00,000 is received in the year 2020-2021 while all the goods of Rs 20,00,000 are supplied in the year 2020-2021?
- 4) What will be the revenue if advance payment of Rs 2,00,000 is received in the year 2020-2021 and balance received in the year 2021-2022?

Q.3) From the following financial statements of GSK Ltd for the year 2015-16, you are required to prepare Statement of Profit & Loss for the year ended 31/3/2016 and Balance Sheet as on that date after adjusting for price level changes under current purchasing power method.

(20 Marks)

Balance Sheet as on 31st March 2016

Particulars	Note No	Amount
I. Equity & Liabilities		
1. Shareholder's funds		
a) Share capital		2,00,000
b) Reserves & Surplus		2,00,000
2) Current Liabilities:		
Trade payable		35,000
Total		4,35,000
II. Assets		
Non Current Assets:		
Fixed assets	1	2,95,000
Current Assets:		
Inventories		70,000
Trade Receivables		40,000
Cash & Cash equivalent		30,000
Total		4,35,000

Statement of Profit & Loss for the year ended 31st March 2016

Particulars	Note No	Amount
I Revenue from Operations		5,00,000
Total Revenue (I)		5,00,000
II. Expenses:		
Purchase of stock in trade		4,20,000
Changes in Inventories	2	10,000
Depreciation		5,000
Other Expenses	3	25,000
Total Expenses (II)		4,60,000
Net Profit (I-II)		40,000

Notes to accounts

	Fixed Assets (Tangible)	Amount
1	Land & Building	3,40,000
	Less Depreciation	(45,000)
		2,95,000
2	Change in Inventories	
	Opening Inventory (Stock)	80,000
	Less Closing Inventory (Stock)	(70,000)
		10,000
3	Other Expenses	
	Administration	25,000

The following data are given:

1) Closing stock was acquired during the last quarter of 2015-2016 and opening the last quarter of 2014-15.

2007-08

2) The land and building were acquired and the share capital issued during 2 buildings are depreciated on straight line method

3) The relevant retail price indices are

(a) 2007-08 average	60
(b) 2014-15 last quarter average	108
(c) 2015, March 31	110
(d) 2015-16 last quarter average	116
(e) 2015-16 average	114
(f) 2016, March 31	118

4. Revenue from operations purchase of stock-in-trade and administration expenses assumed to occur evenly over the year and hence at average prices

Q.4 A) Describe the qualitative characteristics of Financial Statements.

(10 Marks)

B. Explain any five elements of Financial Statements.

(10 Marks)

Q.5) Write short notes on the following:

(4 x 5 = 20 Marks)

- a) Need for International Financial Reporting Standards.
- b) Uses of Accounting.
- c) Accounting adjustments for Events Occurring after the Balance Sheet Date
- d) Objectives of Human Resource Accounting.

Q.6) Write short notes on the following:

(4 x 5 = 20 Marks)

- 1) Process of Accounting Standards Setting in India.
- 2) Measurement of Elements of Financial Statements.
- 3) Methods of acquisition of Intangible Assets.
- 4) Importance of Corporate Social Responsibility Accounting.