

Name: Enrolment No:	
--	--

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2023

Course: Financial Accounting
Program: B.Com-LLB(H)
Course Code: FINC1012

Semester: I
Time: 03 hrs
Max. Marks: 100

Instructions: Read all questions carefully and answer. Cite suitable legal provisions, case laws, amendments and illustrations wherever required.

SECTION A
(5Qx2M=10Marks)

S. No.		Marks	CO
Q 1	Choose the correct one from the following:	10	CO1
i.	Capital of business is Rs. 75,000 and liability is Rs. 25,000 then total assets of business would be: (a) 1,00,000 (b) 15,000 (c) 75,000 (d) 50,000	2	CO 1
ii.	"For every debit there is an equivalent credit" this statement demonstrates: (a) Matching concept (b) Cost concept (c) Money measurement concept (d) Dual aspect concept	2	CO 1
iii.	1,500 withdrawn for personal should be debited to: (a) Expense Account (b) Purchases Account (c) Sales Account (d) Drawings Account	2	CO 1
iv.	The excess of current assets over current liabilities is known as: (a) Working capital (b) Circulating capital (c) Revolving capital (d) All of these	2	CO 1
v.	Cash at bank comes within the category of: (a) Current assets (b) Fixed assets (c) Fictitious assets (d) None of these	2	CO 1

SECTION B (4Qx5M= 20 Marks)			
	Attempt all questions from this section. All questions carry equal marks.	20	CO
Q 2	Describe some items that appear in the Trading Account of an organization.	5	CO 2
Q 3	Briefly describe any 2 types of Accounts in accounting and their respective rules.	5	CO 2
Q 4	State whether the following statements are true or false. 1. In accounting all business transactions are recorded on double entry basis. 2. Dual aspect concept is also called accounting equivalence concept. 3. Fixed assets are those assets which are held for a long period of time. 4. Capital expenditure is the expenditure which is incurred for obtaining benefit within one year. 5. Fixed liabilities are those liabilities which can be paid within one year.	5	CO 2
Q 5	What are the causes for charging depreciation to the assets.	5	CO 2
SECTION-C (2Qx10M=20 Marks)			
	Attempt any 2 questions. All questions carry equal marks.	20	CO
Q 6	Prepare the accounting equation on the basis of following information. 1. Started business with cash Rs. 25,000. 2. Paid rent in advance Rs. 5,000. 3. Sold goods on credit to Ram Rs. 800. 4. Withdrew for private use Rs. 600	10	CO 3
Q 7	Explain the following accounting concepts: a. Business Entity Concept b. Money Measurement Concept c. Going concern Concept d. Accounting period Concept	10	CO 3
Q 8	What are the factors to be considered for depreciation and why there is a need for charging depreciation in the books of account of a firm?	10	CO 3
SECTION-D (2Qx25M=50 Marks)			
	Attempt all questions from this section. All questions carry equal marks.	50	CO

Q 9	<p>Following is the Trial Balance of Mr. Prakash on 31st March, 2023.</p> <table border="1" data-bbox="240 264 1146 1136"> <thead> <tr> <th>Particulars</th> <th>Amount (Dr.)</th> <th>Amount (Cr.)</th> </tr> </thead> <tbody> <tr><td>Cash</td><td>8,490</td><td></td></tr> <tr><td>Purchases</td><td>53,800</td><td></td></tr> <tr><td>Sales</td><td></td><td>1,06,840</td></tr> <tr><td>Sale Return</td><td>740</td><td></td></tr> <tr><td>Wages</td><td>10,480</td><td></td></tr> <tr><td>Creditors</td><td></td><td>6,300</td></tr> <tr><td>Debtors</td><td>14,500</td><td></td></tr> <tr><td>Capital</td><td></td><td>71,000</td></tr> <tr><td>Purchase Return</td><td></td><td>500</td></tr> <tr><td>Factory Expenses</td><td>4,730</td><td></td></tr> <tr><td>Drawings</td><td>5,245</td><td></td></tr> <tr><td>Advertising</td><td>5,400</td><td></td></tr> <tr><td>Coal, Gas & Water</td><td>2,040</td><td></td></tr> <tr><td>Stock (1st April, 2022)</td><td>5,760</td><td></td></tr> <tr><td>Building</td><td>25,000</td><td></td></tr> <tr><td>Plant</td><td>5,000</td><td></td></tr> <tr><td>Machinery</td><td>29,000</td><td></td></tr> <tr><td>Salary</td><td>16,000</td><td></td></tr> <tr><td>General Expense</td><td>8,000</td><td></td></tr> <tr><td>Insurance (Paid on October 1st,2023)</td><td>600</td><td></td></tr> <tr><td>Bill Payable</td><td></td><td>500</td></tr> </tbody> </table> <p>Taking into consideration the following adjustments, prepare Trading and Profit and Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date:</p> <ul style="list-style-type: none"> • Closing Stock was valued at Rs. 8,000 however its cost was Rs. 7,000. • Provide Depreciation on machinery @10%. • A fire occurred during the year destroying goods costing Rs.500. 	Particulars	Amount (Dr.)	Amount (Cr.)	Cash	8,490		Purchases	53,800		Sales		1,06,840	Sale Return	740		Wages	10,480		Creditors		6,300	Debtors	14,500		Capital		71,000	Purchase Return		500	Factory Expenses	4,730		Drawings	5,245		Advertising	5,400		Coal, Gas & Water	2,040		Stock (1st April, 2022)	5,760		Building	25,000		Plant	5,000		Machinery	29,000		Salary	16,000		General Expense	8,000		Insurance (Paid on October 1st,2023)	600		Bill Payable		500	25	CO 4
Particulars	Amount (Dr.)	Amount (Cr.)																																																																			
Cash	8,490																																																																				
Purchases	53,800																																																																				
Sales		1,06,840																																																																			
Sale Return	740																																																																				
Wages	10,480																																																																				
Creditors		6,300																																																																			
Debtors	14,500																																																																				
Capital		71,000																																																																			
Purchase Return		500																																																																			
Factory Expenses	4,730																																																																				
Drawings	5,245																																																																				
Advertising	5,400																																																																				
Coal, Gas & Water	2,040																																																																				
Stock (1st April, 2022)	5,760																																																																				
Building	25,000																																																																				
Plant	5,000																																																																				
Machinery	29,000																																																																				
Salary	16,000																																																																				
General Expense	8,000																																																																				
Insurance (Paid on October 1st,2023)	600																																																																				
Bill Payable		500																																																																			
Q 10	<p>A company purchased a machinery for Rs. 1,30,000 and spent Rs. 20,000 on its installation on 1st July, 2020. It purchased another machinery on 1st April, 2021 for Rs. 1,00,000. Another machinery was purchased on 1st April, 2022 for Rs. 20,000 and the first machinery was sold on the same date for Rs. 1,25,000. Prepare Machinery Account upto 31st December, 2022 if the depreciation is provided @ 10% per annum according to written down value method.</p>	25	CO 4																																																																		
