

GUJARAT TECHNOLOGICAL UNIVERSITY**MAM - SEMESTER-II • EXAMINATION – SUMMER • 2015****Subject Code: 4120504****Date: 29-05-2015****Subject Name: Financial Accounting****Time: 10:30 am - 01:30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) What are the accounting concepts? Name them and explain any two accounting concepts in detail. **07**

(b) Who are the users of accounting information? Explain with suitable example. **07**

Q.2 (a) Give the journal entries for following transactions for the month of April 2011 of Mr. Sudarshan. **07**

- 1, Started business with cash Rs 75,000, Furniture Rs 5,000 and plant Rs 50,000
- 2, Purchased goods from suresh worth Rs 60,000 for cash at 10% trade discount.
- 3, Paid life insurance premium Rs, 2500
- 4, Sold goods to vinay at 20,000 half price received on spot balance amount of accepted by bills payable after one month.
- 5, Purchased a van for cash Rs, 50,000
- 6, Received Rs 100 by sale of scrap.
- 7, Received interest Rs 1500 and commission Rs 600.

(b) Which are the 3 types of accounts? Explain with example. **07**

OR

(b) The below given details of Mr. Om along with additional details. **07**
Trial balance as on 31st March 12 was Rs 20,000

Particulars	Debit Amount (Rs)	Credit Amount (Rs)
Accounts receivable	20,000	
Capital		70,000
Accounts Payable		16,000
Salaries	10,000	
Office Rent	15,000	
Sundry Expenses	5,000	
Sales		4,13,000
Return Outwards		1,000
Return Inwards	2,000	
Opening Stock	36,000	
Purchases	3,81,000	
Wages	5,000	
Factory Rent	1,000	
Power	25,000	
Total	5,00,000	5,00,000

The value of closing stock on 31st March 12 was Rs 20,000.

You are required to prepare:

- 1, Trading account, Profit and Loss Account for the year ended on 31st March
- 2, Balance Sheet as on that date.

- Q.3** (a) Explain FIFO & LIFO method with suitable example. 07
- (b) R & S Ltd, purchased a machinery for Rs 1,25,000 on 1st April 2008. The depreciation is to be charged @ 10% straight line method. The machinery was sold for Rs 62,500 on 1st Oct 2010 07

You are required to prepare machinery account assuming year ending 31st March every year.

OR

- Q.3** (a) What is ledger? What is posting? Illustrate an example for the same. 07
- (b) The following transactions took place relating to Material X during January 2012 07

Date	Particular	Quantity (Kg.)	Rate per unit(Rs)
Jan 02.	Purchased	2000	10
Jan 06	Purchased	300	12
Jan 09	Issued	1200	-
Jan 10	Purchased	200	14
Jan 11	Issued	1,000	-
Jan 22	Purchased	300	15
Jan 31	Issued	200	-

You are required to prepare the Stock Ledger under the FIFO method – FIFO.

- Q.4** (a) What do you mean by the term 'depreciation'? Why do firms provide depreciation? 07
- (b) Prepare Trial Balance from following information. 07

Particulars	Amount (RS)
Sales	22,000
Opening Stock	6,800
Furniture	600
Patents	8,000
Purchases	12,000
Discount allowed	400
Discount received	520
Insurance	320
Legal charges	200
Rent & Taxes	2,240
Debtors	15,200
Creditors	18,000
Cash at Bank	7,280
Salaries	1,520
Carriage outward	520
Return inward	400
Capital	15,240
Cash in hand	280

OR

- Q.4** (a) Explain Corporate Balance Sheet with example. 07

- (b) Explain function and limitations of Accounting. 07
- Q.5 (a) Explain Corporate Income Statement with example. 07
- (b) Define Goodwill and criteria of recognizing it? 07
- OR**
- Q.5 (a) Explain the meaning of Investments, its scope and how is the cost of investment is determined. 07
- (b) Define and explain following terms: 07
- 1, Assets
 - 2, Liabilities
 - 3, Sundry Debtors.
