

INDIAN MARITIME UNIVERSITY
(A CENTRAL UNIVERSITY, GOVT. OF INDIA)

SEMESTER- I, SCHOOL OF MARITIME MANAGEMENT- JUNE 2014 EXAMS

FINANCIAL ACCOUNTING (T 1103)

(AY 2013-14 batch onwards)

Time:- 3 Hrs
Date: 23.06.2014

Max Marks : 60

SECTION - A

(12 X1 = 12 Marks)

Answer all the Questions. All Questions carry equal marks

1. Debit what comes in, credit what goes out is a rule for:
a) Personal Accounts, b) Nominal Account, c) Real Account, d) None of these
2. Make a provision for all possible losses but anticipate no Profits, is a concept known as:
a) Conservatism, b) Matching, c) Realization, d) Consistency
3. Excess of Debit over Credit in the Trading Account means:
a) Gross Profit b) Gross Loss c) Net Loss d) Net Profit
4. Balance Sheet is prepared
a) To check the accuracy of Books b) To know the financial position
c) To know the net profit or loss d) To find out the value of assets
5. Which of the following is not related to the head "Current Asset"?
a) Debtors b) Furniture c) Sundry Debtors d) Closing Stock
6. Purchase of furniture for cash
a) Increases total assets b) Decreases total assets
c) Increases total liabilities d) Leaves total assets unchanged
7. Which of the following statements is not correct?
a) Provision for bad debts appears as a liability on the balance sheet.
b) The provision for bad debts is owed to the proprietor.
c) Bad debts could be less than the provision for bad debts.
d) Bad debts could exceed the provision for bad debts.
8. Which of the following accounting adjustments is/are true in respect of closing stock appearing in the trial balance?
a) It is shown on the debit side of the trading account along with the opening stock.
b) It is shown on the credit side of the trading account.
c) It is shown on the liabilities side of the balance sheet.
d) It is shown on the assets side of the balance sheet.
9. Outstanding wages appearing in trial balance is shown in Balance Sheet as
a) Current asset b) Current liability c) Other liability d) Fixed asset

19. Prepare a **Balance Sheet** for the year ended 31.3.2013 of **Nestle India Ltd.** as per **Schedule VI**:

SL No.	Name of the Accounts	(Rs.)
1	Outstanding Expenses	2,000
2	Debtors	45,000
3	Share Capital	1,60,000
4	Creditors	25,000
5	Bills Receivable	32,000
6	Bills Payable	16,000
7	Bank and Cash	9,000
8	Loan(Cr.)	23,000
9	Investment	25,000
10	Machinery	20,000
11	Building	1,18,000
12	Furniture	15,000
13	General Reserve	30,000
14	Stock in Trade	24,000
15	Profit & Loss A/C (Cr.)	32,000

SECTION - C

(4 X7 = 28 Marks)

Answer question no.20 (compulsory) and any 3(three) from the rest:

20. From the following particulars prepare purchases and sales ledger adjustment accounts as would appear in the nominal ledger of a concern where self-balancing ledgers are kept:

<u>January 1, 2009 :</u>	<u>Rs.</u>
Balances on purchases ledger (Dr.)	174
Balances on purchases ledger (Cr.)	2,388
Balances on sales ledger (Dr.)	2,924
Balances on sales ledger (Cr.)	48
<u>December 31, 2009</u>	
Purchases	13,036
Purchases returns	512
Cash paid to creditors	11,686
Discount received from creditors	336
Sales	17,442
Sales returns	234
Cash received from debtors	15,248
Discount allowed to debtors	564
Discount allowed to debtors but later on disallowed	36
Bills payable	450
Bills receivable	824
Payments to clear credit balances on sales ledger accounts	20
Transfer from purchases ledger to sales ledger	152
Purchases ledger balances (Dr.)	154
Sales ledger balances (Cr.)	84

21. What do you mean by straight line method of depreciation and diminishing balance method of depreciation? Point out their differences.
22. Explain capital expenditure and revenue expenditure, giving two examples of each.
23. From the under mentioned Trial Balance of a trader as on 31.12.2013 prepare a Trading Account and Profit and Loss Account for the year ended 31.12.2013:-

	Dr. (Rs.)		Cr. (Rs.)
Cash in hand	1,200		
Purchases	1,20,000	Capital	1,00,000
Stock (Opening)	35,000	Bills Payable	22,000
Sundry Debtors	50,000	Sundry Creditors	24,000
Plant & Machinery	60,000	Sales	2,00,000
Furniture & Fixture	15,000	Bad Debts Reserve	1,200
Bills Receivable	20,000		
Rent and Taxes	10,000		
Wages	16,000		
Salaries	20,000		
	3,47,200		3,47,200

Additional information supplied:

- Closing Stock Rs. 40,000 ;
 - Provide outstanding liabilities: Rent and Taxes Rs. 2,000 ; Wages Rs. 3,000; Salaries Rs. 4,000.
 - Depreciation: Plant and Machinery 5%, Furniture & Fixture 10%.
 - Bad Debts Reserve @ 2.5% on Sundry Debtors.
24. Prepare a Balance Sheet as on 31.12.2013 considering the Trial Balance and Adjustments as given in Q.No.23.
25. Flaming Ltd. offered for public subscription 5000 equity shares of Rs.10 each at a premium of Rs.2.50 per share payable as follows:
 On Application- Rs. 2.00 per share
 On Allotment- Rs.4.50 per share (including premium)
 On First call- Rs. 4.00 per share
 On Second Call- Rs. 2.00 per share
 Applications were received for 7500 shares and allotment was made to applications for 5000 shares, letters of regret being issued for the remaining applications. Md. Rahim to whom 100 shares were allotted failed to pay last two calls and his shares were forfeited. Pass necessary journal entries in books of the company.
