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Total Number of Pages : 02

MAM
IMB205

2nd Semester Back Examination 2017-18

FINANCIAL ACCOUNTING

BRANCH : MAM

Time : 3 Hours

Max Marks : 70

Q.CODE : C1099

Answer Question No.1 which is compulsory and any five from the rest.

The figures in the right hand margin indicate marks.

Answer all parts of a question at a place.

- Q1 Answer all the questions: (2 x 10)**
- a) Name the three types of accounts as per traditional classification.
 - b) What are the three golden principles of making journal entries?
 - c) What is GAAP?
 - d) What are contingent liabilities ? Give examples.
 - e) What are the differences between Trading account and manufacturing account?
 - f) Which accounts will invariably have a debit balance ?
 - g) Which type of shareholding give you the right to own a company?
 - h) What is statement of affairs? Which organisations prepare this?
 - i) What does going concern concept say ?
 - j) What are subscribed and paid up capital ?
- Q2 Who are the stakeholders of a business? What are their need for accounting information? (10)**
- Q3 Journalise the following transactions in the books of M/s SRM. (10)**
- 1.4.16- Cash in hand Rs 10,000, Cash at bank Rs 25,000, opening stock Rs 15,000, capital Rs 50,000.
 - 2.4.16- Bought goods worth Rs 22,000 at a trade discount of 10 %,
 - 3.4.16- Purchased an office cabinet for RS 2,000.
 - 4.4.16- Sold goods worth Rs 5,000 to Aman who paid Rs 4,950 in full settlement.
 - 5.4.16- Paid Hari Rs 6,000 against a purchase of office equipments.
 - 6.4.16- Life insurance premium Rs 12,000 paid.
 - 7.4.16- Sold an old machinery worth Rs 10,000 at Rs 6,000.
 - 8.4.16- Cash deposited at bank Rs 10,000.
 - 9.4.16- A cheque of Rs 5,000 issued by Mr Kalidas got dishonoured.
- Q4 What are capital and revenue expenditures? How do you distinguish them? Explain their treatment in the books of accounts of an organisation. (10)**
- Q5 Explain the following in brief : (10)**
- i) Going Concern Concept.
 - ii) Dual Aspect Copncept
 - iii) Error of Commission.
- Q6 A company issued 20,000 shares at Rs 12 each, Rs 2 on application, Rs 4 on allotment (including premium) Rs 4 on first call money and Rs 2 on second and final call money. All the shares are fully subscribed and duly paid. Pass necessary journal entries for the above. (10)**

Q7

Pioneer Distilleries Ltd. gives you the following is trial balance of Pioneer Distilleries Ltd. Prepare Trading, P/L A/C for the year ended 31st Dec,2009 and the Balance sheet on that date after considering the following adjustments.

(10)

Debit Balances	Amount (Rs)	Credit Balances	Amount (Rs)
Opening Stock	30,000	Capital	1,00,000
Plant & Machinery	50,000	Creditors	4,600
Cash in Hand	3,000	Return Outward	600
Carriage	500	Bills Payable	4,200
Wages	2,500	Sales	1,59,600
Debtors	9,000		
Purchases	1,35,000		
Return Inward	500		
Bill Receivable	1,500		
Furniture	22,000		
Advertising	7,000		
Salaries	4,000		
General Expenses	1,000		
Drawing	3,000		
	2,69,000		2,69,000

Adjustments :

- (i) Write off depreciation on Plant & Machinery @ 10% p.a. and Furniture @ 5% p.a.
- (ii) Outstanding Salaries Rs.300.
- (iii) Prepaid Wages Rs.200.
- (iv) Closing Stock in hand Rs. 24,000.

Q8**Write short notes on any TWO :****(5 x 2)**

- a) Annual Report
- b) Auditor's Report
- c) Rectification of errors