[This question paper contains 4 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 3640 **H**

Unique Paper Code : 6132381203

Name of the Paper : Financial Accounting

Name of the Course : **B.A. (VS) Modern Office Management – DSC**

Semester : II

Duration : 2 Hour Maximum Marks : 60

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Q. No. **1** is compulsory. Attempt any **two** from the rest.
3. **All** questions carry equal marks.
4. Use of simple calculator is allowed.

1. From the following Trial Balance, you are required to prepare Trading and Profit and Loss Account for the year ended on 31st March, 2023 and a Balance sheet as on that date after making necessary adjustments.

Trail Balance

As at 31st March, 2023

Particulars	Dr. (Rs.)	Cr. (Rs.)
Stock (on 1st April, 2019)	5,750	–
Debtors and creditors	3,250	1,100
Funds	–	1.000
Purchases and sales	16,500	35,000
Wages	6,000	–

Capital	–	5,700
Mortgage Loan	–	3,005
Travelling Expenses	775	–
Salaries	3,000	–
Insurance	475	–
Rent	900	–
Fixed Assets	6,000	–
Rent outstanding	–	100
Establishment expenses	195	–
Cash in hand	2,750	–
Interest on Mortgage	150	–
Trade Expenses	160	–
	45,905	**45,905**

Additional information :

(a) Depreciate fixed Assets by 5%.

(b) Bad debts written off Rs. 150.

(c) Provide for bad and doubtful debts on debtors @ 5% and discount on sundry debtors and creditors @ 2%.

(d) Stock in hand as on 31.03.2020 was Rs. 6,075.

(e) Goods costing Rs. 1,200 were destroyed by fire on 24th March 2023 and insurance company admitted a claim of Rs. 700 only.

(f) Insurance was prepaid Rs. 75.

2. From the following Receipts and Payments Account and additional information relating to Excel Cricket Club, prepare Income and Expenditure Account for the year ended March 31, 2023 and Balance Sheet as on date :

Receipts	Rs.	Payments	Rs.
Balance b/d (Cash in hand)	18,000	Balance b/d (bank overdraft)	16,000
Members subscriptions	2,50,000	Upkeep of field and pavilion	1,15,000
Members admission fee	15,000	Tournament expenses	40,000
Sale of old sports materials	2,500	Rates and Insurance	10,000
Hire of ground	28,000	Telephone	3,500
Subscription for tournament	60,000	Postage and Courier charges	4,000
Life membership fee	20,000	Printing and Stationery	26,000
Donations	6,00,000	Miscellaneous expenses	4,400
		Secretary's honorarium	30,000
		Grass seeds	2,600
		Investments	6,00,000
		Purchase of spoils materials	68,000
		Balance c/d	74,000
	9,93,500		**9,93,500**

Assets at the beginning of the year were :

	Rs.
Play ground:	5,00,000
Cash in hand:	18,000
Stock of sports materials:	85,000
Printing and Stationery:	1 1,000
Subscriptions receivable:	28,000

Donations and Surplus on account of tournament are to be kept in Reserve for a permanent pavilion. Subscriptions due on March 31, 2023 were Rs. 42,000, Write off 50% of sports materials and 30% of printing and stationery.

3. (a) "This method is based on the assumption that materials which are purchased first are issued first". Identify and explain the inventory valuation method. State its advantages and disadvantages.

(b) From the following information, prepare Store Ledger Account under LIFO method.

P.T.O.

1st Oct	opening stock	300 pieces @ Rs. 2 each
5th Oct	purchases	150 pieces @ Rs. 2.20 each
10th Oct	purchases	100 pieces @ Rs. 2.40 each
20th Oct	purchases	180 pieces @ Rs. 2.50 each
3rd Oct	issues	150 pieces
7th Oct	issues	200 pieces
12th Oct	issues	100 pieces
28th Oct	issues	200 pieces

4. P & Co. of Delhi has a branch at Chennai. Goods are sent by head office to branch at invoice price which is made of 20% profit on invoice price. All expenses of the branch is paid by the head office. From the following information, prepare Branch Account in the books of head office :

Particulars	Rs.
On 1st January, 2022:	
Opening stock with branch	11,000
Debtors	1,700
Petty Cash	100
Transactions during the Year:	
Goods sent to branch at Invoice Price	20,000
Cash sales	2,650
Cash received from debtors	21,000
Goods returned by branch at Invoice Price	400
Branch Expenses paid by H.O.:	
Rent	600
Wages	200
Salary	900
Balances on 31st December, 2022	
Stock with branch at Invoice Price	13,000
Debtors	2,000
Petty Cash	25

5. "Generally accepted accounting principles helps to bring comparability and uniformity in financial statement of various business organisations". Discuss outlining various such generally accepted accounting principles.

6. What is the need and significance of depreciation? Differentiate, with suitable examples, between Straight Line Method and Diminishing Balance Methods of charging depreciation.