(iii) Relevance of Accounting Period

(iv) Subscriptions

(v) Accrual Basis of Accounting

[This question paper contains 8 printed pages.]

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

Sr. No. of Question Paper : 3477 **J**

Unique Paper Code : 6132381203

Name of the Paper : Financial Accounting

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

Semester : II

Duration : 2 Hours 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** questions from the rest.

3. **All** questions carry equal marks.

4. Use of simple calculator is allowed.

1. From the following Trial Balance of M/s Khudiram, you are required to prepare Trading and Profit and Loss Account for the year ended on 31st March, 2024 and a Balance sheet as on that date after making necessary adjustments:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Capital	-	24,500
Drawings	2,000	-
General Expenses	2,500	-
Building	11,000	-
Machinery	9,340	-
Stock on 1.4.2023	16,200	-
Power	2,240	-
Taxes and Insurance	1,315	-
Wages	7,200	-
Debtors and Creditors	6,280	2,500
Charity	105	-
Bad debts	550	-
Bank Overdraft	-	11,180
Sales	-	65,360
Purchases	47,000	-
Equipment	2,000	-
Scooter Expenses	500	-
Provision for doubtful debts	-	900
Commission	-	1,320
Trade Expenses	1,280	-
Bills Payable	-	3,850
Cash in hand	100	-
	1,09,610	**1,09,610**

You are required to :

(i) Prepare the Branch Account in the books of the Head Office using the Debtors System.

(ii) Calculate the branch profit or loss for the year.

4. What is the role of Artificial Intelligence and Data Analytics in Accounting? Illustrate their benefits and challenges.

5. (a) What is a Not-for-Profit Organisation? Explain its main objectives and give two examples.

(b) What is a lease? Distinguish between finance lease and operating lease with examples.

6. Write short notes on the following **(do any four)** :

(i) Matching Concept

(ii) Continuity Doctrine

(b) M/s ABC & Co. has a branch at Jaipur. Goods are sent by the Head Office to the branch at cost. All cash collected by the branch is remitted to the Head Office. All expenses are paid by the Head Office.

The following details relate to the branch for the year ended 31st March 2025 :

Opening stock at branch (at cost): ₹20,000

Goods sent to branch (at cost): ₹1,50,000

Credit sales at branch: ₹1,00,000

Cash sales at branch: ₹40,000

Cash received from debtors: ₹90,000

Bad debts written off: ₹1,000

Closing stock at branch (at cost): ₹25,000

Branch expenses paid by Head Office: ₹15,000

Opening balance of branch debtors: ₹10,000

Closing balance of branch debtors: ₹19,000

Adjustments :

(i) Stock on 31st March, 2024 was valued at Rs. 25,500.

(ii) 40% of the general expenses and taxes and insurance are to be charged as of factory and balance to office.

(iii) Write off further bad debts of Rs. 160.

(iv) Make a provision for doubtful debts @ 5% on debtors.

(v) Provide 2% discount on sundry creditors.

(vi) Depreciate Machinery by 10% and Equipment by 20%.

(vii) Wages and trade expenses were outstanding for Rs. 300 and 220, respectively.

(ix) Goods costing Rs. 2,000 were destroyed by fire on 1st April, 2024 and a claim of Rs. 1,500 was settled on 7th April, 2024.

2. (a) Explain the significance of inventory valuation. Compare the FIFO and LIFO Method of inventory valuation.

(b) On 1st April 2021, XYZ Ltd. purchased machinery for ₹5,00,000. The company charges depreciation at 15% per annum on the Written Down Value (WDV) method. On 1st October 2023, a part of the machinery purchased on 1st April 2021, costing ₹1,00,000, was sold for ₹70,000. On the same date, new machinery was purchased for ₹1,50,000.

You are required to :

(i) Calculate depreciation for the years ending 31st March 2022, 2023, and 2024.

(ii) Prepare the Machinery Account for the three years in the books of XYZ Ltd.

(iii) Show the Loss or Gain on Sale of machinery.

3. (a) The following Trial Balance was extracted from the books of M/s ABC Stores for the year ended 31st March, 2025 :

Particulars	Dept. A (₹)	Dept. B (₹)	Total (₹)
Opening Stock	40,000	30,000	
Purchases	1,20,000	90,000	
Sales	2,00,000	1,50,000	
Wages	20,000	15,000	
Rent and Electricity			24,000
Salaries			36,000
Closing Stock	50,000	35,000	

Additional Information :

(i) Rent and electricity are to be apportioned in the ratio of floor area: Dept A = 300 square yards and Dept B = 200 square yards.

(ii) Salaries are to be apportioned equally between the departments.

You are required to prepare the Departmental Trading and Profit & Loss Account for the year ended 31st March, 2025.