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Total No. of Pages : 02

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**B.Com. (Professional) (2013 to 2017 Batch) (Sem.-1)**

**B.Com. (Hons.)**

**FINANCIAL ACCOUNTING**

**Subject Code : BCOP-101**

**M.Code : 22001**

**Time : 3 Hrs.**

**Max. Marks : 60**

**INSTRUCTIONS TO CANDIDATES :**

1. **SECTION-A is COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** contains **SIX** questions carrying **TEN** marks each and students have to attempt any **FOUR** questions.

**SECTION-A**

**1. Answer briefly :**

- (a) Discuss the limitations of accounting.
- (b) What is book keeping?
- (c) What do you mean by accounting cycle?
- (d) Explain the term 'suspense account'.
- (e) Write a short note on bills of exchange.
- (f) What are the causes of depreciation?
- (g) Define Provisions.
- (h) Briefly discuss liquidity order of marshalling.
- (i) What is an account current?
- (j) Briefly explain red-ink interest.

**SECTION-B**

2. Who are the users of accounting information? Why do they need information?
3. Discuss briefly the basic accounting concepts and fundamental accounting assumptions.
4. (a) What factors causes the difference between the cash book and the bank passbook?

- (b) From the following particulars, prepare the bank reconciliation statement of Shri Krishan as on March 31, 2019.
- Balance as per passbook is Rs. 10,000.
  - Bank collected a cheque of Rs. 500 on behalf of Shri Krishan but wrongly credited it to Shri Krishan's account.
  - Bank recorded a cash book deposit of Rs. 1,589 as Rs. 1,598.
  - Withdrawal column of the passbook under cast by Rs. 100.
  - The credit balance of Rs. 1,500 as on the pass-book was recorded in the debit balance.
  - The payment of a cheque of Rs. 350 was recorded twice in the passbook.
  - The pass-book showed a credit balance for a cheque of Rs. 1,000 deposited by Shri Krishan.
5. A firm purchased on 1<sup>st</sup> January 2014 certain machinery for Rs. 58,200 and spent Rs.1,800 on its erection. On 1<sup>st</sup> July 2014 additional machinery costing Rs. 20,000 was purchased. On 1<sup>st</sup> July 2016 the machinery purchased on 1st January 2014 having become obsolete was auctioned for Rs. 28,600 and on the same date fresh machinery was purchased at a cost of Rs. 40,000.
- Depreciation was provided annually on 31<sup>st</sup> December at the rate of 10% on diminishing balance method. In 2017, however, the firm changed this method of providing depreciation on the original cost of the machinery. Give the machinery account as it would stand at the end of the each year from 2014 to 2017.
6. What adjusting entries would you pass in respect of :
- Income received in advance
  - Outstanding expenses
  - Accrued Income
  - Prepaid Expenses
  - Depreciation.
7. (a) What is average due date? State the procedure of calculating it.
- (b) A owes Y the following sum of money on the due dates stated below :

Amount (Rs.)	Due Date
1000	1.1.2019
2000	1.2.2019
3000	1.3.2019
4000	1.4.2019

Calculate average due date. Base date should be taken as 1.2.2019

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**