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Total Number of Pages: 02

MCA

MCC105

1st Semester Back Examination 2016-17

FINANCIAL ACCOUNTING

BRANCH: MCA

Time: 3 Hours

Max Marks: 70

Q.CODE: Y682

**Answer Question No.1 which is compulsory and any five from the rest.
The figures in the right hand margin indicate marks.**

Q1: Answer the following questions: (2 x 10)

- a) What is accounting cycle?
- b) Justify whether cash book is a journal or ledger.
- c) What is the difference between depreciation and amortization?
- d) What is a general ledger?
- e) What is owner's equity?
- f) Write two objectives of financial accounting.
- g) What is accrual method?
- h) What is the difference between financial accounting and management accounting?
- i) What is long term liability?
- j) Define Representative personal account.

Q2: Why are final accounts prepared? What are the importance of trading, profit and loss a/c and a balance sheet? (2+8)

- Q3 a) What is meant by a company? Distinguish between public ltd. and private ltd. company. (5)**
- b) What is share? Discuss the types of shares which a company can issue. (5)**

Q4: Prepare a triple column cash book for the following transactions in the books of Chandan: (10)

1. Commencement of business with Rs.150000
2. Purchased goods worth Rs.25000
3. Sold goods worth Rs.20000 for cash and Rs.7000 on credit to Ram.
4. Paid rent by cheque of Rs.3000
5. Paid salary to employees of Rs.15000.
6. Purchased a machine worth of Rs.17000. The seller allowed 10% discount.

Q5 a) Define capital expenditure. How it is different from revenue (5)

expenditure.

- b) Discuss the importance of financial accounting to different users. (5)

Q6 Explain these followings :

- a) Accounting equations (5)
b) Accounting conventions (5)

Q7 From the following trial balance of M/s Radheshyam, prepare Trading, P&L a/c for the ending 31.12.2016 and the Balance sheet as on that date. (10)

Particulars	Debit	Credit
Opening stock	30000	
Plant	10000	
Creditors		4600
Cash in hand	3500	
Discount		800
Carriage in ward	500	
Wages	1500	
Return outward		350
Bills payable		4200
Purchase	135000	
Debtors	9000	
Sales		159100
Insurance	200	
Factory rent	1000	
Sales return	550	
Bills receivable	1500	
Capital		40000
Furniture	2000	
Bad debt reserve		500
Advertising	7000	
Office rent	700	
Salaries	3300	
General expenses	800	
Drawings	3000	
TOTAL	209550	209550

The following adjustments will be taken into account:

- (i) Write off depreciation on plant by 10% & furniture by 15%.
(ii) Write off rs.1000 as bad debts, and create provision for doubtful debt at 5% and for discount on debtors at 2%.
(iii) Un expired insurance rs.50.
(iii) Salaries outstanding rs.3000 and wages outstanding rs.500.
(iv) Closing stock in hand rs.42000

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

- a) Accounting as an information system
b) Current assets
c) Deferred revenue expenditure
d) Depreciation methods