



QP CODE: 24020575

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Reg No :

Name :

**BFM DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE
EXAMINATIONS, MAY 2024**

Second Semester

Bachelor of Financial Markets

Core Course - FM2CRT04 - FINANCIAL ACCOUNTING

2020 ADMISSION ONWARDS

8F003A1A

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is Book keeping?
2. What do you mean by Double Entry System of Accounting?
3. What do you mean by Journalising?
4. What are the Utilities of a ledger?
5. What is the need of a Trial balance?
6. The following information of an accounting year is given; Opening Capital Rs 60000 Drawings Rs 5000; Capital introduced during the year Rs 10000; and Closing Capital Rs 90000. Calculate Profit or Loss for the year.
7. State the features of Goodwill.
8. Define Shares. State the different types of shares.
9. What do you mean by Valuation of shares? List out the methods of Valuation.
10. What is PPE? What are the objectives of Accounting for PPE.
11. What is Measurement of Cost?
12. What is depreciation and state the depreciable amount in PPE?

(10×2=20)





Part B

Answer any **six** questions.

Each question carries **5** marks.

13. Explain the Accounting Principles of Prudence, Materiality and Full disclosure.
14. Briefly explain the limitations of accounting standards.
15. Journalise the following transactions of Satish 2021 Jan 1 Started business with cash Rs 40000 Jan 2 Opened bank account by cheque from savings account Rs 60000 Jan 3 Bought goods from M/s Singh and Co. Delhi Jan 4 Introduced additional capital by cheque Rs 5000 Jan 4 Purchased computer against cheque from computer mart Noida Rs 15000 Jan 6 Paid for postage Rs 150 Jan 8 Sold goods for cash Rs 4000 Jan 9 Sold goods to M/s Sharda & Co., Delhi Rs 10000 Jan 15 Paid to M/s Singh & Co Rs 19500 Discount allowed by them Rs 500 Jan 25 Sold goods to M/s Ray & Co., Kolkata Rs 5600 Jan 27 Received cheque from M/s Sharda & Co. in Full settlement of amount due from them Rs 9750 Jan 31 Paid for electricity charges Rs 1000 Jan 31 Paid rent of building by cheque. Half of the building is used by the proprietor for residential use Rs 5000 Jan 31 Drew for Private use Rs 3500.
16. Who all are the users of Financial statements? Explain.
17. From the Balance sheet given below, Calculate 1. Fixed Assets 2. Current Assets 3. Current Liabilities 4. Working Capital
BALANCE SHEET as at 31st March 2020
Liabilities Rs
Assets Rs
Trade Creditors 42000 Stock in Hand 48000 Expenses Accrued 3200 Debtors 36000 Bank overdraft 4800 Prepaid expenses 400 Long term loan 20000 Goodwill 20000 Interest on loan 1000 Land 20000 Capital 93400 Plant 32000 Furniture 8000 164400 164400.
18. Briefly explain about Notes to Financial statements.
19. The profits for the last five years of a firm were as follows-year 2010 Rs 400000 year 2011 Rs 398000 Year 2012 Rs 450000; Year 2013 Rs 445000 and Year 2014 Rs 500000 Calculate goodwill of the firm on the basis of 4 years purchase of 5 years average profits.
20. What are the changes in existing decommissioning ?
21. Briefly describe the Disclosure of PPE.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Ashok of Delhi started business on 1st April 2020 with Machinery of Rs 400000 and furniture of Rs 100000. He purchased these assets from Delhi and paid by cheque from





his savings account. He introduced capital of Rs 100000 in cash. Journalise the following transactions for the month of April. Prepare the ledger accounts and Balance them 2020

April 1 Purchased goods for cash from Ram, Delhi Rs 55000 April 4 Purchased goods from Naresh, Gurugram Rs 40000 April 6 Sold goods for cash Rs 70000 April 12 Cash deposited into bank Rs 80000 April 14 Purchased machinery costing Rs 10000 for cash April 15 Sold goods to Grg Bros, Delhi Rs 30000 April 16 Returned goods to Naresh Rs 2000 April 18 Paid Naresh by cheque Rs 20000 April 20 Withdrawn from Bank for personal use Rs 10000 April 25 Received cheque from Garg Bros and deposited into bank Rs 20000 April 28 Paid salary for the month of April Rs 10000 April 30 Received bank interest Rs 400 April 30 Purchased stationery for cash Rs 1000.

23. Write up the following transactions in the Journal of Ashok Delhi and post them to the ledger for April 2020. Also prepare the Trial Balance as on 30 th April 2020
- 2020 April 1 Commenced business with cash Rs 40000 April 2 Opened Bank account and deposited cheque from savings a/c Rs 300000 April 5 Bought goods against cheque Rs 50000 April 7 Sold goods to Amith Rs 25000 April 9 Bought goods from parvat, Delhi Rs 51000 April 12 Received cheque from Amith Rs 19500 Discount allowed Rs 500 April 13 Issued cheque to Parvat Rs 39000 Discount allowed by him Rs 1000 April 16 Withdrew cash for personale expenses Rs 10000 April 17 Received cash from Amith and deposited into bank Rs 5000 April 25 Paid rent by cheque Rs 9000 April 29 Goods Sold to Romy Delhi Rs 48000.
24. From the following Balances, Prepare Trading and Profit & Loss Account and Balance Sheet
- | Debit Balances | Credit Balances |
|--------------------------------------|---------------------|
| Machinery 350000 | Capital a/c 1000000 |
| Debtors 270000 | Creditors 140000 |
| Drawings 90000 | Sales 1450000 |
| Sales 1450000 | Purchases 950000 |
| Wages 500000 | Bank 150000 |
| Opening stock 200000 | Rent 45000 |
| Sundry expenses 20000 | Carriage 15000 |
| Closing stock was valued at Rs 30000 | |
25. Give a brief account on Impairment, Compensation for impairment, Retirement and Derecognition as per the provisions of relevant Accounting Standards.

(2×15=30)

