

TRIBUVAN UNIVERSITY  
FACULTY OF MANAGEMENT  
Office of the Dean  
**2006**

Full Mark 60  
Time: 3 hrs

**BIM/Fourth Semester/ACC 201: Financial Accounting**

*Candidate are required to answer the question in their own words as far as practicable*

**Group 'A'**

**Attempt All Question:**

**[10×1=10]**

1. Write brief answer

- a) What is Money Measurement Concept of accounting ?
- b) Mention the process of accounting ?
- c) What do you mean by Accounting Equation ?
- d) Differentiate between trade and cash discount.
- e) State any two advantage of double entry system.
- f) What is Endorsement of Cheque ?
- g) Mention any 3 cause of depreciation in fixed assets.
- h) What is trial balance ?
- J) What is "Error of Omission" ?
- i) What do you mean by Debit Note ?

**Group 'B'**

2. Explain briefly types of Endorsement of cheque.

**[3]**

3 Following are the transaction of Ramesh:

**[3]**

- a) Purchase furniture from Koshi furniture workshop Rs 20,000.
- b) Good sold to Ravi on credit Rs 500.
- c) Furniture costing Rs 5,000 has been sold Rs at 5,500.
- d) Cash received from debtor Rs 4,900 and allowed discount Rs 100.

**Required:** Journal Entry.

4. Prepare Triple Column cash book from following transaction:

**[4]**

- I. 2063 Baishask      Cash in hand at bank Rs 4965 at bank Rs 4965
- II. 2063 Baishask 5      Bought Good & Paid in cash Rs 500 by cheque Rs 700
- III. 2063 Baishask 10      Paid Bimal's accounts of Rs 800, discount 2%
- IV. 2064 Baishask 12      Goods sold in cash Rs 1000.
- V. 2063 Baishask 20      Deposited in bank Rs 975.
- VI. 2063 Baishask 28      Received from Krishna cash Rs 1900 after Rs 100 discount.



- d. Salaries paid Rs 20,000 & still due Rs 2000.
- e. Goods costing Rs 2,000 destroyed in an accident.

**Required:** Develop accounting equation from the above transactions.

11. Extracted form the Trail Balance of a company are as under :

[4]

	Dr Rs	Cr Rs
a) Provision for bad debts.		20,000.
b) Bad debts.	2,000.	
c) Sundry Debtor.	2,00,000.	

Additional information:

- a) There is further bad debts 3000.
- b) Make a provision for bad debts at 15%.

**Required :** Prepare provsion for bad debts accounts.  
or

Following are the information given:

Land and building.	Rs 1,50,000.
Funrniture and fixture	Rs 75,000.
Cash in hand	Rs 25,000.
Stock	Rs75,000.
Plant and machinery	Rs 75,000
Prepaid insurance	Rs 5,000
Bills payble	Rs 1,50,000.
Out standing wages	Rs 15,000.
Sundry creditors	Rs 75,000.

**Required :**Opening entry.

12. On 30<sup>th</sup> Chaitra ,2062 the following Trial Balance was extracted from the books of Mr.Atma Ram Pradhan :

[3+3+4]

	Dr. Rs	Cr. Rs
Capital account		50'000
Plant and machinery	80,000	
Sales		1,77,000.
Purchases	60,000	
Returns	1,000	
Opening stock	30,000.	
Discount	350.	
Bank charge	75.	
Sundry debtors	45,000.	
Sundry creditors		25,000.
Salaries	6,800.	
Manufacturing wages	10,000	
Carriageinwards	750.	
Carriage outwards	1,200.	
Bad debts provision		525.
Rent, rates and taxes	10,000.	
Advertisement	2,000.	
Cash in hand	900.	

Cash at bank

**Total**

6,000  
2,54,075.

2,54,075.

**The following adjustment is required:**

- a) Closing stock Rs 35,000.
- b) Depreciation of plant at Rs 6%.
- c) Bad debts provision to be adjusted to Rs 500.
- d) Interest on capital to be allowed at 5% p.a.
- e) 2.5% of the profits is to be carried to Reserve fund.

You are asked to prepare the final accounts for the year ended 30 Chaitra 2062 and the Balance Sheet as on that date.

**THE END**