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: [1 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 Following are the transaction of Ramesh:								
a)Purchase furniture from Koshi furniture workshop Rs 20,000.								
b) Good sold to Ravi on credit Rs 500.								
c) Funiture costing Rs 5,000 has been sold Rs at 5,500.								
d) Cash received from debtor Rs 4,900 and allowed discount Rs 100.								
Rec	quired: Journal Entry.							
4. Prej	pare 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.						
	2063 Baishask 20	Deposited in bank Rs 975.						
VI.	2063 Baishask 28	Received from Krishna cash Rs 1900 after Rs 100 discount	-					

15 tables at Rs 200 each. 40 chairs at Rs 100. Jestha 15 Sold during Set to Mr. S Prasad for Rs 5250 on credut. Jestha 25 Sold to prime collage on credit. 20 benches at Rs 200 each. 8 blank boards at Rs 250 each. Trade discount is offered at the following rates: Sales up to Rs 3000 - 5%Sales beyond Rs 3000 -10% 6. A firm purchased two vehicles at Rs1,20,000 each on 1st May 1999 to serve for 10 years, at the [end of which scrap shall be 25% of cost price. Another vehicles was acquired on 1st July 1999 for Rs1,00,000. Company has policy to charge depreciation on fixed installment method. On 1st January, 2000 a new vehicle was added for Rs50,000 to serve for five years. On 1st July, 2001 one vehicle bought on 1st May, 1999 was auctioned at 80% of book value. Prepare the vehicle account for 1999, 2000 and 2001. 7. Prepare bank reconciliation statement form the following particulars: [5] a) Overdraft as per cash book on 31st Dec. 1999. b) Cheque deposited into the bank but not credited. c) Cheque issued but not cashed by the customers. d) Bank charges not shown in cash book. e) Interest on overdraft charged by the bank. f) Interest on debenture collected by the bank not shown in cash book. 8. Give Journal entries to rectify following error. [4] a) Rs2500 paid as office rent was debited to trade expenses a/c b) Rs 1000 being purchases return was posted to the purchase book. c) Rs 890 received from Hari was posted to credit of Shyam. d) Rs 1000 paid to Krishna posted at debit side of cash book. The material purchases and issue on different dates on a particular month are as follows: [4] Ashad 1 Opening stock 1500 units at Rs 10 Purchase 500 units at Rs 15 Ashad 8 Purchase another 500 units at Rs 7. Ashad 9 Ashad 12 Issued 1000 units. Ashad 14 Issued 500 units. Purchase 1000 units Rs 8. Ashad 18 Ashad 20 Issued 500 units. **Required:** Store ledger account under Average cost method. 10. Mr. Ajaya had the following transaction: [4] a. Invested Rs 30,000 in cash and Rs 50,000 furnitures as capital. b. Purchased goods on credit Rs 40,000. c. Payment made to creditors as per.....above in full settlement Rs 39000.

5. From the following transaction prepare (a) Sale book and (b) post them into necessaray ledgers: [4]

Jestha 5

Sold on credit to M/S Ram Pd.&sons.

- 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 provison for bad debts accounts.

or

Following are the information given:

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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 30th 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.
Salaroes	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 <u>6,000</u> **Total** 2,54,075. 2,54,075.

The following adjustement 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