IIHMR UNIVERSITY

School of Rural Management

MBA Rural Management

Batch-5th (2016-2018) First Year

Financial Accounting

Term Examination

Time - 3 Hour **MM-70**

Q. 1. Write Short Notes on the following: (Word limit-100 words) **(20 Marks)**

1. Going Concern Concept
2. Double Entry Accounting System
3. Trading Account
4. Ledger
5. Entity Concept

Q. 2. Answer the following. Each question carries two marks. **(10 Marks)**

1. Give two examples of Current Assets.
2. Give two examples of Long Term Assets.
3. Give two examples of the sources of Funds in a Balance Sheet.
4. Give two examples of Fixed Costs.
5. If the class life of an asset is 5 years and cost is Rs. 200000, what will be the depreciation?

Q. 3. Prepare the Journal from the following Transaction in the books of Lucky Ltd. **(20 Marks)**

Jan 1. Assets: Cash Rs.12000, Furniture Rs. 2000, Stock Rs. 20000, Building Rs. 50000, Santosh Rs. 10000, Usha Rs. 6000
Liabilities: Ramesh Rs. 7000, Naresh Rs. 15000

Jan 2. Purchase Goods Rs. 25000 by cash and on credit Rs. 15000 from Ram.

Jan 3. Purchase goods of list price 100000 at 10% trade discount and 5% cash discount.

Jan 6. Withdraw for personal use Rs. 5000 and Goods worth Rs. 7000

Jan 7. Purchase Furniture Rs. 25000 for daughter marriage.

Jan 8. Santosh become insolvent and 60 paise in a rupee could be realized from him.

Jan 9. Paid Income Tax Rs. 12000.

Jan 10. Paid to Ram in full settlement Rs. 24000.

Jan 11. Goods sold Rs. 50000, half amount received by cheque.

Jan 15. Paid for salaries Rs. 5000, advertisement Rs. 7000, Trade expenses Rs. 3000.

Jan 17. Provide a loan to Ajay Rs. 100000 @ 15 % p.a. interest.

Jan 19. Received Rs. 20000 cash and a cheque of Rs. 25000.

Jan 20. Paid rent for building Rs. 7200 half of the building is used by the proprietor for residential use.

Jan 22. Received cash from Rita against bad debts Rs. 22000 written off last year, Rs. 19800.

Jan 24. Charge Depreciation on furniture @ 10% p.a. for one month (Furniture Rs. 7200).

Jan 25. Provide Interest on capital (Rs. 36000) at 15% p.a. for six months.

Jan 26. Supplied goods costing Rs. 600 to Mohan and issued invoice at 10% above cost and allowed 5% trade discount.

Jan 27. Bought 100 shares of Reliance Ltd. @ Rs. 10 per share.

Jan 28. Household Furniture lost by Fire Rs. 10000.

Q. 4. From the following balances extracted from the books of X & Co., prepare a **trading and profit and loss account** from 1st April, 2015 to 30th March, 2015. **(20 Marks)**

	$		$
Stock on 1st January	11000	Returns outwards	500
Bills receivables	4500	Trade expenses	200
Purchases	39000	Office fixtures	1000
Wages	2800	Cash in hand	500
Insurance	700	Cash at bank	4750
Sundry debtors	30000	Tent and taxes	1100
Carriage inwards	800	Carriage outwards	1450
Commission (Dr.)	800	Sales	60000
Interest on capital	700	Bills payable	3000
Stationary	450	Creditors	19650
Returns inwards	1300	Capital	17900