

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester-I Repeat, Semester End Examination November 2023
Subject: Principles and Practice of Accounting (GE I)

(Course Code: UCOG107)

Max Marks: 80

Duration: 2hrs

Instructions:

- 1) Question No. 1 is compulsory
- 2) Answer any 3 questions from Question No. 2 to Question No. 6
- 3) Start each question on fresh page.
- 4) Figures to the right indicate maximum marks.

1. The stock in hand of a material in Abha Ltd. on 1st September, 2022 was 5000 units @ Rs.1.
 The following Purchases and Issues were subsequently made: **(20 marks)**

Purchases:

| Date | Units | Rate (Rs.) |
|------------|-------|------------|
| 06-09-2022 | 2000 | 1.10 |
| 20-09-2022 | 8000 | 1.20 |
| 27-09-2022 | 5000 | 1.30 |
| 13-10-2022 | 11000 | 1.40 |
| 20-10-2022 | 6000 | 1.50 |
| 17-11-2022 | 5000 | 1.60 |

Issues:

| Date | Units |
|------------|-------|
| 09-09-2022 | 2000 |
| 22-09-2022 | 8000 |
| 30-09-2022 | 5000 |
| 15-10-2022 | 11000 |

| | |
|------------|------|
| 22-10-2021 | 6000 |
| 11-11-2021 | 5000 |

Find out the value of inventory under LIFO and Weighted Average method.

2. The Balance sheet of David & Co. a partnership firm as on 1st April, 2013 and Profit and Loss Statement for the year ending March, 2014 are given below: **(20 marks)**

Balance Sheet as on 1-4-2013

| Liabilities | Amt.(Rs.) | Assets | Amt.(Rs.) |
|---------------------|-----------------|-----------------------|-----------------|
| Capital | 4,00,000 | Plant & Machinery | 3,00,000 |
| 13% Loan | 1,00,000 | Furniture and fixture | 40,000 |
| Current Liabilities | 50,000 | Inventory | 60,000 |
| | | Debtors | 50,000 |
| | | Cash | 1,00,000 |
| | 5,50,000 | | 5,50,000 |

Profit & Loss Statement for the year ending 31st March, 2014

| Particulars | Amt. (Rs.) | Amt. (Rs.) |
|---------------------------------|-----------------|------------|
| Sales | | 10,00,0000 |
| <u>Less: Cost of goods Sold</u> | | |
| Opening Inventory | 60,000 | |
| Add: Purchses | 7,10,000 | |
| Less: Closing Inventory | <u>(70,000)</u> | 7,00,000 |
| Gross Profit | | 3,00,000 |
| Less: Operating Expenses | 1,51,000 | |
| Less: Interest on loan | 13,000 | |

| | | |
|---------------------------------|--------------|---------------|
| Less: Depreciation on Machinery | 45,000 | |
| Less: Depreciation on Furniture | <u>4,000</u> | 2,13,000 |
| Net Profit | | 87,000 |

Additional Information:

- Debtors and current liabilities balance remained constant throughout the year.
- Interest on debentures was paid on 31-3-2014.
- The general price index was: On April 1, 2013 : 300; Average for the year: 320 and on March 31, 2014: 360

Prepare Financial Statements for the year 2013-2014 after adjusting Price Level changes under Current Purchasing Power Method.

3. A) Mrs. Riva Kumari is a cloth merchant. She purchased 10,000 pieces of garments @ Rs. 100 per piece and sold 8,000 pieces of garments @ Rs. 150 per unit during the accounting year ended 31st March, 2022.

She paid shop rent Rs. 3000 per month for 11 months and paid Rs. 8,00,000 to the suppliers of garments and collected Rs. 10,00,000 from the customers.

Prepare Profit & Loss Account for the year end 31st March, 2022 and Balance Sheet from the above transactions taking into consideration Matching Concept. (08 marks)

B) The following is the Balance Sheet of Mr. Anirudh a businessman.

(12 marks)

| Liabilities | Amt.(Rs.) | Assets | Amt.(Rs.) |
|-------------|-----------------|-----------|-----------------|
| Capital | 1,50,000 | Machinery | 2,00,000 |
| Bank Loan | 75,000 | Cash | 1,00,000 |
| Other Loan | 75,000 | | |
| | 3,00,000 | | 3,00,000 |

Situation:

- A new machine was purchased for Rs.50,000 on credit.
- Cash paid to repay bank loan to the extent of Rs. 50,000.
- Obtained additional Bank Loan Rs. 50,000 to repay Other Loan.

Prepare Balance Sheet in each of the above situation taking into consideration Dual Aspect Concept.

4. A). List out the qualitative characteristics of financial statements. (10 marks)
B). Illustrate the elements of financial statements with reference to expenses and liabilities. (10 marks)

(4 X 5 mks)

5. Write short notes on:
- a. Accounting Code of Ethics
 - b. Users of financial statements
 - c. Provisions of AS - 4
 - d. Structural Elements of Environmental Accounting

(4 X 5 mks)

6. Write short notes on:
- a. Convention of Consistency
 - b. Elements of financial statements with reference to Revenues
 - c. Provisions of AS - 29
 - d. Areas of Social Responsibility Accounting