



Register Number:

Date: XX/10/2019

**ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27**  
**BCom IFA - I SEMESTER**  
**SEMESTER EXAMINATION: OCTOBER 2019**  
**BCIFA 1119 – FINANCIAL ACCOUNTING**

**Time- 2 1/2 hrs**

**Max Marks-70**

**This paper contains 4 printed pages and four parts**  
**SECTION A**

**Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)**

1. The accounting concept which dictates that non-current assets should be valued at cost less accumulated depreciation, rather than at their enforced saleable value, is:
  - a. Understandability
  - b. Relevance
  - c. Comparability
  - d. Going concern
2. Which of the following statements defines the business entity concept?
  - a. The business will continue to operate for the foreseeable future.
  - b. A business is always a separate legal entity, distinct from those who own or manage that business.
  - c. A business is never a separate legal entity from those who own or manage that business.
  - d. Financial transactions are recorded and presented from the perspective of the business, rather than from the perspective of the owners or managers of that business.
3. Which one of the following statements best describes the purpose of a goods dispatched note (delivery note)?
  - a. It is issued by a customer returning faulty goods to their supplier.
  - b. It is issued by a customer to their supplier and specifies the quantity and type of goods they require to be despatched.
  - c. It is issued by a supplier to their customer and specifies the quantity and type of goods delivered to that customer.



## SECTION C

**Answer any TWO of the following questions. Each question carries fifteen marks.**

**(2x15marks=30)**

11. Explain the different elements of Financial Statement.
12. From the following particulars, find out the errors in cash book and bank statement and prepare Bank Reconciliation Statement as on 31-05-2016 for Ammar Ahmed Sugar Mill Ltd:
  - a. Balance as per bank statement overdraft of Rs. 2,118.
  - b. The debit side of the cash book had been undercast by Rs. 300.
  - c. A Dividend of worth Rs. 90 had been collected by the bank but not recorded in the cash book.
  - d. Cheques Rs. 3,000 drawn in December but only 1,200 presented for payment.
  - e. Interest amounting 228 had been debited by the bank but not entered in the cash book.
  - f. A cheque for Rs. 2,077 was issued by the company for purchase of merchandise and was paid by the bank but not recorded in company's book.
  - g. A cheque for Rs. 10,500 issued to Salman & Co. for purchase of Equipment was not encashed.

13. Prepare Journal entries for the following:

The John trading company has undertaken the following transactions during the month of May 2019.

- May 01: Deposited into bank Rs. 1,200
- May 10: Purchased stationary for cash, Rs 150.
- May 15: Purchased merchandise for cash, Rs 1,300.
- May 15: Cash sales Rs 2,350.
- May 18: Cash withdrawn from bank for personal expenses Rs 150.
- May 19: Issued a cheque for merchandise purchased, Rs 1,650.
- May 21: Drew from bank for office use, Rs 650.
- May 24: Received a cheque from S & Sons and deposited the same into bank, Rs 1,560.
- May 25: Paid a cheque to Ali Inc. for Rs400 and received a discount of Rs 15.
- May 27: Bought furniture for cash for office use, Rs 390.
- May 29: Paid office rent by cheque, Rs 450.
- May 31: Paid salaries by cheque Rs 1,760.
- May 31: Withdrew from bank for office use Rs 1,470

## SECTION D

**Answer the following compulsory question. The question carries fifteen marks.**

**(1x15marks=15)**

14. Prepare Financial statement with the following details as on 31<sup>st</sup> March 2019

Particulars	Amount
Sales	6,54,000

Opening stock	58,400
Purchase of goods	2,32,080
Salary	98,470
Provision for bad and doubtful debts	5,000
Freight charges	48,880
Sundry expenses	42,860
Interest paid	20,000
Furniture	10,000
Machinery	1,40,000
Patents	30,000
Power fuel	61,810
Bad debts	3,500
Audit fee	3,000
Commission received	20,000
Interest received	30,000
Income from other sources	50,000
Purchase of stationeries	10,000

**Further adjustment to be made:**

- a) Closing stock Rs 28,880
- b) Create provision for taxation at 30%
- c) Provide 5% depreciation on all fixed assets and 10% depreciation on intangible assets.