

FIRST SEMESTER FYUGP EXAMINATION NOVEMBER 2024
MINOR
AFA1MN111 ESSENTIALS OF FINANCIAL ACCOUNTING

Time : 2 Hrs

Maximum Marks : 70

BL - Bloom's Taxonomy Level (1 to 6)

CO - Course Outcome

Section A		Ceiling Marks : 24		
Answer all questions. Each carries 3 marks.				
No.	Question	M	BL	CO
1.	Why the double entry accounting system considered more reliable than a single-entry system?	3	5	CO1 CO4
2.	What is provision?	3	2	CO2
3.	What is accrual income?	3	2	CO2
4.	What are the methods of calculating depreciation?	3	2	CO2
5.	Write rectification entry: The purchase of machinery for Rs 6000 was entered in the purchase account	3	2	CO2
6.	Calculate the amount of profit made during the year: Net sales 50,000 Cost of goods sold- 35,000	3	2	CO3
7.	What is the provision for valuing closing stock?	3	3	CO3
8.	What are the differences between profit and loss account and balance sheet?	3	3	CO3
9.	What are the features of single-entry system of accounting?	3	2	CO4
10.	What are the differences between single entry and double entry system of accounting?	3	2	CO1 CO4
Section B		Ceiling Marks : 36		
Answer all questions. Each question carries 6 marks.				
No.	Question	M	BL	CO
11.	Explain the procedures for posting and their balancing.	6	2	CO1
12.	Prepare sales book and post them to ledger: 2020 April 1- sold to Mukesh & Co.: 10 heater rods @ Rs 20 10 lamp shades @ Rs 30 April 5- sold to Suresh & Brothers: 10 table fans @Rs 250 20 tube lights @ Rs 30	6	2	CO1

13.	Following are the extracts from the Trial Balance of Mr. Abin:		6	3	CO2	
	particulars	debit				credit
	Sundry debtors					
	Bad debts	20,000				
	Provision for bad and doubtful debts	800	2500			
	Adjustments:					
	a) Write off further bad debts Rs 1000					
	b) Create a provision for bad and doubtful debts @ 5% of debtors					
	c) Also create provision for discount on debtors @ 2% on debtors.					
14.	Differentiate between straight line method and diminishing value method with examples?		6	4	CO2	
15.	Differentiate between profit and loss a/c and balance sheet		6	5	CO3	
16.	Explain the different types of single-entry bookkeeping system		6	2	CO4	
17.	Mr Sampath keeps his books under single entry. He began business on 1 st Jan 2020 with Rs 50000 as a provision merchant. On 31 st Dec 2020, his financial position was as follows: Cash in hand- 5000, Cash at bank- 50000, Furniture- 7500, Debtors- 14000, Plant- 16000, Stock-9000, Bills receivables-1000, Sundry creditors- 4000 and Bills payable- 1000 Compute the profit or loss made by Sampath during 2020		6	3	CO4	
18.	Shan keeps his books under single entry system. He provides you, the following information. Calculate Net profit for the year ending 31.3.2019 <ul style="list-style-type: none"> • Capital on 1.4.2018 – 1,00,000 • Capital on 31.3.2019 – 1,50,000 • Additional capital during the year – 20,000 • Outstanding salary- 8,000 • Drawings during the year- 12,000 • Rent due but not received – 5,000 • Prepaid insurance- 4,000 		6	3	CO4	
Section C						
Answer any 1 question. Each carries 10 marks. (1x10=10 marks)						
No.	Question		M	BL	CO	
19.	How do accounting concepts impact your business's financial decisions?		10	5	CO1	

20.	<p>Syam is a budding entrepreneur. He wants to appoint you as his accountant to prepare the final accounts for the fiscal year ending in 2023. You are required to draw up the Trading and Profit and Loss Account as well as the Balance Sheet as of March 31, 2023.</p>	10	3	CO3																																																																														
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<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">Debit ₹</th> <th style="width: 20%;">Credit ₹</th> </tr> </thead> <tbody> <tr> <td>Syam's Capital Account</td> <td></td> <td style="text-align: right;">1,60,000.00</td> </tr> <tr> <td>Investment in 10-year Government Bond</td> <td style="text-align: right;">12,000.00</td> <td></td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: right;">40,000.00</td> <td></td> </tr> <tr> <td>Opening Inventory</td> <td style="text-align: right;">30,000.00</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">1,64,000.00</td> <td></td> </tr> <tr> <td>Return Inwards</td> <td style="text-align: right;">4,000.00</td> <td></td> </tr> <tr> <td>Sundry Debtors</td> <td style="text-align: right;">41,200.00</td> <td></td> </tr> <tr> <td>Furniture and Fixtures</td> <td style="text-align: right;">10,000.00</td> <td></td> </tr> <tr> <td>Freight and Duty</td> <td style="text-align: right;">4,000.00</td> <td></td> </tr> <tr> <td>Carriage Outwards</td> <td style="text-align: right;">1,000.00</td> <td></td> </tr> <tr> <td>Rates and Taxes</td> <td style="text-align: right;">9,200.00</td> <td></td> </tr> <tr> <td>Printing and Stationery</td> <td style="text-align: right;">1,600.00</td> <td></td> </tr> <tr> <td>General Expenses</td> <td style="text-align: right;">800.00</td> <td></td> </tr> <tr> <td>Sundry Creditors</td> <td></td> <td style="text-align: right;">20,000.00</td> </tr> <tr> <td>Sales</td> <td></td> <td style="text-align: right;">2,40,000.00</td> </tr> <tr> <td>Return Outwards</td> <td></td> <td style="text-align: right;">2,000.00</td> </tr> <tr> <td>Postage and Telegram</td> <td style="text-align: right;">1,600.00</td> <td></td> </tr> <tr> <td>Discounts</td> <td></td> <td style="text-align: right;">1,600.00</td> </tr> <tr> <td>Insurance Charges</td> <td style="text-align: right;">1,400.00</td> <td></td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">28,000.00</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">20,600.00</td> <td></td> </tr> <tr> <td>Rent</td> <td></td> <td style="text-align: right;">2,400.00</td> </tr> <tr> <td>Cash in Hand</td> <td style="text-align: right;">14,400.00</td> <td></td> </tr> <tr> <td>Cash at Bank</td> <td style="text-align: right;">42,200.00</td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">4,26,000.00</td> <td style="text-align: right;">4,26,000.00</td> </tr> </tbody> </table>					Particulars	Debit ₹	Credit ₹	Syam's Capital Account		1,60,000.00	Investment in 10-year Government Bond	12,000.00		Plant and Machinery	40,000.00		Opening Inventory	30,000.00		Purchases	1,64,000.00		Return Inwards	4,000.00		Sundry Debtors	41,200.00		Furniture and Fixtures	10,000.00		Freight and Duty	4,000.00		Carriage Outwards	1,000.00		Rates and Taxes	9,200.00		Printing and Stationery	1,600.00		General Expenses	800.00		Sundry Creditors		20,000.00	Sales		2,40,000.00	Return Outwards		2,000.00	Postage and Telegram	1,600.00		Discounts		1,600.00	Insurance Charges	1,400.00		Salaries	28,000.00		Wages	20,600.00		Rent		2,400.00	Cash in Hand	14,400.00		Cash at Bank	42,200.00		Total	4,26,000.00	4,26,000.00
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3. Provide depreciation on furniture at 5% and plant and machinery at 20%.																																																																																		
4. Stock as of March 31, 2023 was valued at ₹29,200/-.																																																																																		
