

Financial Accounting B.Com Part 1 Past Paper 2023

Q1. On 1st January, 2005, X sells goods to Y for Rs. 20,000 and draws three bills on him; the first for Rs.6,000 for one month, the second for Rs. 10,000 for two months and the third for Rs.4,000 for 3 months. Y accepts and returns these bills to X.

The first bill is retained by X till the date of maturity. The second bill is discounted by him at 12% p.a with his banker. The third bill is endorsed by X to his creditor A on 5th Jan. 2005.

On maturity all the bills are honoured by Y.

Required: Give Journal entries in the books of X, Y & A.

Q#2. From the following particulars ascertain the bank balance as per the Cash Book of Anas & Co. as On 31st March 2022 with the help of Bank Reconciliation Statement.

(a) Bank balance as per the Pass Book on 31st March, 2022 was Rs. 120,000.

(b) Cheques issued in the last week of March, 2022 but not presented for payment till 31st March, 2022, amount to Rs. 30,000.

(c) Cheques paid into Bank on 26th March, 2022, but not collected prior to 31st March 2022 amount to Rs. 18,000.

(d) Interest on deposits of Rs. 3,000 was credited in the Pass Book but not recorded in the Cash Book till 31st March, 2022.

(e) A customer paid into the bank 22,500 directly as appeared in the Pass Book but not to the Cash Book.

(f) Dividend money of Rs. 12,000 on the shares held by Anas & Co. was received directly by the bank on 29th March, 2022, but the intimation was sent to them on 2nd April, 2022.

Q.4: Give Journal entries to rectify the errors.

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(a) Machinery sold for Rs. 10,000 has been posted to Sales A/c

(b) Rs. 5000 withdrawn by the proprietor for personal use have been debited to Trade Expenses A/c.

(c) Cost of repairs Rs. 500 has been charged Machinery A/c

(d) Rs. 3900 received from Saleem have been Posted to Waseem A/c

(e) Furniture purchased for Rs. 8000 has been debited to purchase A/c

(f) Purchase of goods from Arshad & Co. Rs. 4000 was omitted to be recorded in the books.

(g) Rs. 9500 paid to Nazir have been wrongly debited to Kabir A/c.

Q.3: From the following Trial Balance of Ali & Co, you are required to prepare Trading and Profit & Loss A/c for the year ending 31st December, 2021 and a Balance Sheet as at that date:

	Debit Rs.	Credit Rs.
Income Tax	7000	
Building	200,000	
Plant & Machinery	175,000	
Furniture & Fixtures	39,000	
Opening Stock	120,900	
Drawings & Capital	96,000	420,000
Purchases & Sales	330,000	612,000
Debtors & Creditors	91,200	72,000
Returns	18,000	15,000
10% Loan		120,000
Wages	79,500	
Printing & Stationery	9300	
Bad debts	12,600	
Provision for doubtful debts		10,140
Cash at bank	70,640	
	12,49,140	12,49,140

Adjustments:

1. Closing Stock was valued at Ra. 75,000
2. Depreciate, Building at 5 %, Plant & Machinery at 10 % and Furniture 5%
3. Write off Rs. 7200 as bad debts from debtors.
4. Maintain Reserve for doubtful debts at 8%
5. Interest on loan is outstanding.

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Q.5: Zarin keeps her books by the single entry method. Her position on 31st December 2021 was as follows:

Cash Rs. 10,000; stock in trade Rs. 25,000; Accounts receivable Rs. 30,000; machinery Rs. 50,000; and accounts payable Rs. 23,000.

Her position on 31st December 2022 was as follows:

Cash Rs. 12,000; stock in trade Rs. 40,000; Accounts receivable Rs. 60,000; machinery Rs. 45,000; and accounts payable Rs. 25,000.

During the year Zarin introduced Rs. 8,000 as further capital in business and withdrew Rs. 4000 for her personal use.

From the above, you are required to ascertain the profit or loss made by Zarin for the year ended 31-12-2022.

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Q.6: Following is the Receipts and Payments Accounts of an Officer's Club for the year ended 31st December 2022:

	Rs.		Rs.
Opening Balance	8,000	Salaries	3,600
Subscription:		Stationary	350
2021	2,000	Telephone Charges	400
2022	18,000	Insurance	1,200
2023	1,500	Miscellaneous expenditure	480
Entrance Fees	1,300	Subscriptions to newspapers	640
Sale of old Magazines	50	Purchase of Sports Material	6,000
Interest on Investments	500	Closing Balance	19,480
Other Receipts	800		
	32,150		32,150

2021 December 31st — Balances of investments Rs. 10,000, Furniture Rs. 5000, Buildings Rs. 25,000; Subscriptions due Rs. 3,000, Subscriptions received in advance of 2022 Rs. 2,000; Stock of sports material Rs. 4,000; Stock of stationery Rs. 200. The Balance as on 31st December 2022 are — subscriptions due Rs. 2,500; Stock of sports material Rs. 3,000 and stock of stationary Rs. 150. Depreciate furniture by 10 % and buildings by 5 %. Interest due on investments Rs. 500.

Prepare Income and Expenditure Account and Balance Sheet.

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Q.7: The Balance Sheet of X and Y as on 31st December 2022 is set out below. They share profit & losses in the ratio of 2:1

Assets	Rs.	Liabilities	Rs.
Freehold Property	20,000	X's Capital	40,000
Furniture	6,000	Y's Capital	30,000
Stock	12,000	General reserve	24,000
Debtors	60,000	Creditors	16,000
Cash	12,000		
	110,000		110,000

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They agree to admit Z into the firm subject to the following terms and conditions:

- (a) Z will bring in Rs. 21,000 of which Rs. 9,000 will be treated as his share of Goodwill to be retained in the business.
- (b) He will be entitled 1/4th share of the profits of the firm.
- (c) Fifty percent of the General Reserve is to remain as a Reserve for Bad and Doubtful Debts.
- (d) Depreciation is to be provided on Furniture at 5%
- (e) Stock is to be revalued at Rs. 10,500.

Show the journal entries giving effect to the above said arrangements. (Including cash transaction) and prepare the Opening Balance Sheet of the new partnership.

Q.8: A firm purchased a machinery for Rs. 80,000 on 1st April 2002 and spent Rs. 20,000 on its installation. Depreciation is written off 10% p.a on Original Cost Method. On 31st December, 2005 the machinery was sold for Rs. 25,000 being unsuitable.

Required: Prepare the Machine Account from 2002 to 2005 assuming that Accounts are closed on 31st December every year.