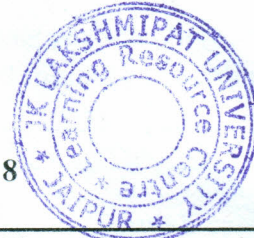




Institute of Management
JK Lakshmipat University
Jaipur

END TERM- EXAMINATION NOV-2018



BBA& B.Com (H) Semester-I
MM: 40 Marks

Course: Financial Accounting
Time: 2 Hours
Subject code: AC04

Answer any Four Questions from below. Each question carries 10 marks each.

Q1.

- a) Discuss the reasons of disagreement between cash book and pass book balance.
(3 Marks)
- b) From the following particulars ascertain in the balance that would appear in the cash book of Keshav as at December 31, 2015.(7 marks).
 - a. Overdraft as per pass book (as on 31st December, 2015) Rs. 13880.
 - b. Interest on overdraft for six months ending 31st December, 2015(not yet entered in the cash book) Rs. 240.
 - c. Bank charges for the above period (not yet entered in the cashbook) Rs. 60.
 - d. Cheque drawn but not cashed by the customers prior to 31st December, 2015 Rs. 2300.
 - e. Cheque paid into the bank but not cleared before 31st December, 2015 Rs. 4340.
 - f. A bill receivable (discounted with the bank in November) dishonored on 31st December, 2015 Rs. 1000.

Q2. Distinguish between: (10 marks).

- i. Straight Line method and Diminishing Balance Method
- ii. Capital Receipt & Revenue Receipt
- iii. AS & IND AS

Q3.

- a) Discuss the needs and importance of providing depreciation.(3 Marks)
- b) A Transport company purchased 5 trucks at Rs. 2,00,000 each on April 1, 2005. The company observes calendar year as its accounting year. On October 1, 2007 one of the Trucks is involved in an accident and is completely destroyed. Insurance company pays Rs. 90,000 in full settlement of the claim. On the same day the company purchased one used Truck for Rs. 1,00,000 and spends Rs. 20,000 on its overhauling. Prepare Truck Accounts for the three years ending on December, 31,2007 if the Company writes off depreciation @ 20% per annum on under diminishing Balance Method (7 Marks)

Q4. The following balances were taken from the books of M/s Mithali on 31st March, 2008. Prepare Trading, Profit & Loss and balance sheet. (10 marks).

Capital	1,00,000	Drawings	17600
Purchases	80000	Sales	140370
Purchase Returns	2820	Opening Stock	11460
Rent(Cr)	2100	Railway freight on goods sold	16940
Carriage Inwards	2310	Office Expenses	1340
Printing & Stationary	660	Bad debts	1400
Bad debt Provision (on 1 st April, 2007)	3240	Rates & Insurance	1300
Discount (Cr.)	190	Bills Receivable	1240
Sales Returns	4240	Wages	6280
Buildings	25000	Postage & Telegrams	820
Sundry Debtors	62070	Sundry Creditors	18920
Cash at Bank	12400	Cash in Hand	2210
Office Furniture	3500	Salary & Commission	9870
Addition to Building	7000		

Adjustments:

- i. Depreciate old buildings at 2.5% and new additions to buildings @ 2% and office furniture @ 5%.
- ii. Write off further Bad debts Rs. 570.
- iii. Provide provision for doubtful debts @ 6%
- iv. Outstanding salary Rs. 570.
- v. Rent Receivable Rs. 200.
- vi. Unexpired Insurance Rs. 240.
- vii. Closing Stock on 31st March 2008 Rs. 14290.

Q5. What is IFRS? Why convergence of accounting standards to IFRS is essential. Discuss the procedure of convergence and name at least 10 Ind AS. (10 Marks)