Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MAM - SEMESTER–II • EXAMINATION – SUMMER 2013

Subject Code: 4120504 **Date: 11-07-2013**

Subject Name: Financial Accounting

Time: 10.30 am - 01.30 pm **Total Marks: 70**

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 **(a)** Describe what are the function of accounting? Also discuss limitation of accounting **07**

(b) Write a short note on **07**

(i) GAAPs (ii) IFRSs

Q.2 **(a)** Sunaina TV Networks Ltd. purchased some fixed assets for a consolidated price. The details are as under. Details of the market values of these assets as appraised by a valuer are also given. Determine the cost of each asset **07**

Details	Consolidated price(Rs)	Market Price(Rs)
Land	-----	18000
Bulding Built thereon	-----	2,7000
Furniture and fixtures	-----	5400
Equipments for pay channel infrastructure	-----	129600
Total	150000	180000

(b) What do you mean by depreciation on fixed assets? Discuss SLM and WDV methods with examples **07**

OR

(b) Stores ledger account of Kanti & Co. shows the following particulars **07**

2008		Materials were issued as fc
Jan 1 - opening balance	500 units @ Rs 4	2008
Jan 5 - Received from vendor	200 units @ Rs. 4.25	Jan 4- 200 units
Jan 12- Received from vendor	150 units @ Rs. 4.10	Jan 10- 400 units
Jan 20- Received from vendor	300 units @ Rs. 4.50	Jan 19- 100 units
Jan 25- Received from vendor	400 units @ Rs. 4	Jan 26- 200 units
		Jan 30- 250 units

Issue is to be priced on the principle of "First in First out". Write out the stores ledger account in respect of the materials for the month of January 2008

Q.3 **(a)** How will you classify the following into personal, Real and Nominal accounts? **07**

a. Investments
b. Salary account
c. Loose tools account
d. Indian bank Ltd.
e. Cash account
f. Drawing account
g. sales account

(b) Prepare journals in the books of K.K.Co. from the following transactions: **07**

1999		Rs.
Dec -1	started business with a capital of	50,000
Dec -8	purchased goods for cash	4,000
Dec -6	paid into bank	20,000
Dec -9	paid to Ram	1,980
Dec -9	discount allowed by him	20
Dec -10	cash sales	3,000
Dec -12	sold to Hari for cash	2,000
Dec -15	purchased goods from Ram	4,000
Dec -18	paid wages to workers	300
Dec -20	received from Pankaj	1,000 (Allowed him discount of Rs.50)
Dec -22	withdrawn from bank	3,000
Dec -25	paid Ram by chaque	500
Dec -25	Withdrawn for personal use	200

OR

Q.3 **(a)** What is journal and how it should be recorded? Also give detail of rules of journalizing the transactions **07**

(b) Pass the opening entry, journal and ledger on January 1-1998 on the basis of following information taken from the business of Mr. Sunil **07**

a. Cash in hand Rs. 2000 d. plant Rs. 5000

b. Sundry debtors Rs. 6000 e. Land and buildings Rs. 10000

c. Stock of goods Rs.4000 f. sundry creditors Rs. 10000

Q.4 **(a)** Write a specimen of vertical form of corporate balance sheet **07**

(b) Write a specimen of vertical form of corporate profit and loss accounts **07**

OR

Q.4 **(a)** From the following balance taken from the trial balance of Shri Suresh. Prepare a trading and profit and loss account for the year ending 31st dec-1998 **07**

Particulars	Debit (Rs)	Credit (Rs)
Stock on 1-1-1998	2000	--
Purchases and sales	20000	30000
Returns	2000	1000
Carriage	1000	--
Cartage	1000	--
Rent	1000	--
Interest received	--	2000
Salaries	2000	--
General expanses	1000	--
Discount	--	500
Insurance	500	--

The closing stock on 31st December 1998 is Rs. 5000

(b) From the following transactions find out the nature of accounts and also state which account should be debited and which account should be credited? **07**

1. Rent paid
2. Salaries paid
3. Interest received
4. Furniture purchased for cash
5. Machinery sold
6. Telephone charges paid
7. Paid to Suresh

Q.5 **(a)** What do you mean by Inventory? How LIFO and FIFO methods of inventory valuation differ to each other? **07**

(b) Explain the terminologies **07**

1. Goodwill
2. Amortization

OR

Q.5 **(a)** Define the corporate financial statements and write the importance of corporate financial statements **07**

(b) Describe what is corporate profit and loss account? And give details of its features **07**

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