Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MTM - SEMESTER–VI • EXAMINATION – SUMMER • 2015

Subject Code: 4260101 **Date: 19-06-2015**

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)** Write a brief note on accounting concepts. **07**

(b) Explain the concept of Capital Receipts and Capital Expenditures. State the difference between Capital Expenditures and Revenue Expenditures. **07**

Q.2 **(a)** The following transactions of Ramesh for April are given below. Journalize them. (Figures are in Rs.) **07**

1st April	Ramesh Started business with	10,000
2nd April	Paid into Bank	7,000
3rd April	Bought goods for cash	500
5th April	Drew cash from bank for credit	100
13th April	Sold to Krishna goods on credit	150
20th April	Bought from Shyam goods on credit	225
24th April	Received from Krishna	145
24th April	Allowed him discount	5
28th April	Paid Shyam Cash	215
28th April	Discount Allowed	10
30th April	Cash sales for the month	800
30th April	Paid Rent	50
30th April	Paid Salary	100

(b) Explain the types of errors while preparing the trial balance. **07**

OR

(b) **07**

Sales	Opening Inventory	Purchase	Closing Inventory	COGS	Gross Profit	Selling Exp.	Net Profit
15,000	6,000	10,000	?	9,000	?	4000	?

(i) Calculate the value of closing inventory.
(ii) Find out the gross profit
(iii) Find out the net profit.

Q.3 **(a)** Presented below are the balances, listed in alphabetical order, of Beyer Company, at December 1, 2009: **07**

Accounts Payable	Rs. 8,100
Accounts Receivable	Rs. 4,000
Cash	Rs. 7,300
Land	Rs. 15,300
Machinery	Rs. 31,600
Merchandise Inventory	Rs. 12,200
Long-term Debt Payable	Rs. 20,700
Note Payable	Rs. 2,200
Paid-in Capital	Rs. 39,400

Below are the transactions for Beyer Company for the month of December 2009:

a. Sold inventory to a friend at cost, which was Rs.800. The friend paid in cash.
b. Borrowed an additional Rs. 1,300 in notes payable.
c. Collected Rs. 1,900 from credit customers.
d. Paid Rs. 2,600 of the amount owed on account.

Prepare a balance sheet as of December 31, 2009, considering the beginning balances and incorporating the effects of the December 2009 transactions.

(b) Define Depreciation. Explain the different methods of depreciation. **07**

OR

Q.3 **(a)** Aarti Chemicals ltd. has provided the following information for a machine. **07**

PARTICULARS	AMOUNT
Cost of the machine	78,00,000
Expected useful life (years)	10
Consideration expected on disposal	4,20,000
Estimated cost of removal of the machine for disposal	30,000
Estimated **realizable** value	3,90,000

You are required to ---

1. Determine the rate of depreciation as per SLM
2. Determine the annual depreciation and accumulated depreciation for all the year as per SLM

(b) Explain the accounting conventions. **07**

Q.4 **(a)** Explain the steps in accounting process. **07**
(b) State the relationship between journal and ledger with suitable example. **07**

OR

Q.4 **(a)** What is Trial Balance? State the objectives of preparing the Trial Balance. **07**
(b) Which are the three types of accounts? Explain with example. **07**

Q.5 **(a)** State the difference between Accounting and Book Keeping. **07**

	(b)	Define the following with example: 1. Capital 2. Drawing 3. Goods 4. Closing Stock	**07**

OR

Q.5	**(a)**	Write a brief note on GAAP.	**07**
	(b)	Explain how accounting can be used as MIS.	**07**

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