Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MPM SEMESTER – VI EXAMINATION – SUMMER 2015

Subject Code: 4360201 **Date: 19-06-2015**

Subject Name: Financial Accounting

Time:10.30 am – 1.30 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)** Explain the persons who should be interested in accounting information. **07**

(b) Discuss any seven types of accounting concepts. **07**

Q.2 **(a)** Write short note on Compliance with the Accounting Standards **07**

(b) Pass the journal entries in the books of Mr. Anil Kapoor. **07**

1. Started business with cash Rs.10,000.
2. Purchased goods on credit from Shridevi Rs.8,000.
3. Plant purchased for cash Rs.2,000 and also paid erection charges Rs.500 in cash.
4. Withdrew goods for personal use Rs.2,000.
5. Paid salary to Madhuri Rs.1,000.
6. Distributed goods of Rs.500 as free samples.
7. Paid by cheque Rs.500 towards advertisement bill of Business Standard.

OR

(b) A firm purchases a plant for a sum of Rs.50,000 on 1st January, 1997. You are required to prepare Plant Account for five years charging depreciation @ of 10% p.a. according to the Diminishing Balance Method. The financial year commences from 1st January and ends on 31st December. **07**

Q.3 **(a)** Write short note on Valuation of Tangible Fixed Assets AS-10. **07**

(b) Sargam Company has the following inventories, purchases, and sales data for July 2014: Opening Inventory July 1 200 units @10. **07**

Purchases
July 5 500 units @ 5
July 12 200 units @ 7
July 22 500 units @ 6
Sales
July 8, 300 units @ Rs.10
July 15, 200 Units @ Rs.12
July 28, 200 Units @ Rs.19

The closing inventories on July 31,2014 shows 700 units. Prepare stock register using FIFO and LIFO method to compute the value of closing inventories.

OR

Q.3 **(a)** Write short note on Valuation of Assets Under Finance Lease AS-19. **07**

(b) Usha Corporation Ltd. sought the advice of an investment advisor for deployment of surplus funds of around Rs.45,00,000 in the stock market. The advisor advised to invest in Bhonsle India Ltd. and charged Rs.7,500 as his fee. Accordingly, UCL bought 8,500 equity shares of the face value of Rs.10 each of Bhonsle @ Rs.520 per share from NSE through a stockbroker, UTI Securities Ltd. The broker charged a brokerage of 0.50%. Determine the cost of this investment. **07**

Q.4 **(a)** Discuss Assets under Finance Leases –AS-19. **07**

(b) What does AS-26- Intangible Assets and Their Amortization explain? **07**

OR

Q.4 **(a)** Write a short note on Cash flow Statement and also draw its Performa. **07**

(b) What is a Trial Balance? Explain why it is prepared? **07**

Q.5 **(a)** Discuss on various branches of accounting. **07**

(b) From the following information of **Manthan Company Ltd**. Prepare final accounts of the company for the year ended on 31st March, 2013: **07**

Debit Balances	Rs.	Credit Balances	Rs.
Building	30,72,000	Share Capital	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	P&L A/c.	2,62,500
Debtors	8,70,000	Bills Payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash and Bank	4,06,500	Sales	41,50,000
Calls in arrears	75,000	General Reserve	2,50,000
Interim dividend paid	3,92,500	Bad debts provision on 1-4-2012	35,000
Purchases	18,50,000		
Preliminary Expenses	50,000		
Wages	9,79,800		
General Expenses	68,350		
Salaries	2,02,250		
Bad Debts	21,100		
Debentures Interest paid	1,80,000		
Total	**1,24,67,500**	Total	**1,24,67,500**

Additional Information:

1. Depreciate plant by 15%.
2. Write off Rs.5,000 from preliminary expenses.
3. Debenture interest is outstanding/due for 6 months
4. Provide 5% for bad debts.
5. Stock on 31st March, 2013 was Rs.9,50,000.

OR

Q.5 **(a)** Draw the format of Vertical Balance Sheet. **07**

(b) Draw the format of Corporate Profit and Loss Account. **07**

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