

**DOON UNIVERSITY, DEHRADUN**  
**Mid-Term Examination, 2014**  
**School of Management (IMBA-5 yrs. I Sem.)**  
**Course: IMBA-103 –: Financial Accounting**

*Time Allowed: 1<sup>1/2</sup> Hours*

*Maximum Marks: 30*

*(Note: Attempt All Questions from Sections A and B and any 2 from Section C.)*

**SECTION : A**

*(Marks:10)*

Q1) Journalise the following transactions, post the Ledger and prepare a Trial Balance.

2008		Rs.
April 1	Commenced business with cash	18,000
April 2	Deposited into bank	5,000
April 3	Bought goods for cash	2,500
April 10	Sold goods for cash	1,630
April 11	Paid cash into bank	2,500
April 13	Bought furniture for cash	300
April 15	Sold goods to Vinod	1,280
April 16	Received cash from Vinod. Allowed him discount	1,232 48

**SECTION : B ( Short Answer Type Questions )**

*(Marks: 1x5=5)*

Write short notes on:

1. Book keeping
2. Business entity concept.
3. Going concern concept
4. Matching concept
5. Depreciation.

**SECTION : C ( Long Answer Type Questions. Attempt any TWO Questions).**

*(Marks: 7.5 x 2)*

Q1) What do you mean by Double Entry System? Explain its advantages.

Q2) What are accounting principles? Describe accounting conventions.

Q3) The following trial balance is prepared on 31<sup>st</sup> March, 2008 form a trader's books:

Particular	Dr. (Rs.)	Cr. (Rs.)
Cash in hand	8000	
Cash in Bank	12,000	
Wages	20,000	
Sales		5,00,000
Machinery	2,12,000	
Bills receivable	40,000	
Opening stock	84,000	
Creditors		40,000
Purchases	3,30,000	
Sales return	6,000	
Salaries	32,000	
Debtors	86,000	
Taxes and Insurance	22,000	
Bad Debts	6,000	
Freights on Purchases	4,800	
Capital		3,20,000
Commission		2,800
	8,62,800	8,62,800

Taking into consideration the following adjustments, prepare the Trading and Profit and Loss Accounts for the year ending 31<sup>st</sup> March, 2008 and a Balance Sheet on that date. Closing stock Rs. 90,000

1. Outstanding salaries Rs. 3,200 and Outstanding Wages Rs. 2,000
2. Prepaid Insurance Rs. 900 and Accrued Commission Rs. 1,200
3. Charge Depreciation on Machinery 10% p.a.