

BITS Pilani, K.K. Birla Goa Campus
Mid-term Examination Second Semester 2022-23

Subject: Fundamental of Finance & Accounts (ECON F212)
Date: 15th March 2023

Marks: 35 Marks
Time: 4:00 – 5:30 PM

Answer 1: Journal Entries in the books of XYZ Ltd.

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
a	Salaries a/c To Purchase a/c (Being inventory given deducted from salary)	Dr.	80000	80000
b	Machinery a/c To Bank a/c (Being wages paid for erection of machinery)	Dr.	15000	15000
c	Drawings a/c To Bank a/c (Being income tax liability of owner paid)	Dr.	110000	110000
d	Purchase a/c To Naveen a/c (Being goods purchased from Naveen)	Dr.	180000	180000
	Naveen a/c To Bank a/c To Discount received a/c (Being paid for purchase and discount received)	Dr.	180000	175000 5000
e	Gift or Incentive a/c To Purchase a/c (Being distributed as a gift)	Dr.	10000	10000
f	Accrued commission a/c To Commission a/c (Being commission has to receive)	Dr.	5000	5000
	Grand Total		580000	580000

Answer 2: Purchase a/c

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
d	To Naveen a/c		180000	a	By Salaries a/c		80000
				e	By Gift or Incentive a/c		10000
					By P/L a/c		90000
			180000				180000

Bank a/c

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
	To balance c/d		300000	b	By Machinery a/c		15000
				c	By Drawings a/c		110000
				d	By Naveen a/c		175000
			300000				300000
					By balance b/d		300000

Answer 3:

	Total Assets						=	Liabilities	+	Capital	
Srl No.	Bank/Cash	+	Inventory	+	Furniture	+	Debtors	=	Creditors	+	Capital
a		+		+	40000	+		=	40000	+	
b	10000	+		+		+		=		+	10000
c		+	-100000	+		+	100000	=		+	
d	-20000	+		+		+		=		+	-20000
f		+	-50000	+		+		=	-50000	+	
g		+		+		+	-10000	=	-10000	+	
	-10000	+	-150000	+	40000	+	90000	=	-20000	+	-10000

Note: There will be no accounting treatment for transaction (e) and (h).

Answer 4:**Calculation of the Value of Inventory as on 31-01-2023**

Date	Receipts			Issues			Balance		
	Units	Rate	Amount	Units	Rate	Amount	Units	Rate	Amount
1-1-2023							20	250	5000
7-1-2023	100	300	30000				20	250	5000
							100	300	30000
15-1-2023				20	250	5000	40	300	12000
				60	300	18000			
18-1-2023	50	400	20000				40	300	12000
							50	400	20000
25-1-2023				40	300	12000	20	400	8000
				30	400	12000			
28-1-2023	200	350	70000				20	400	8000
							200	350	70000
30-1-2023				20	400	8000	120	350	42000
				80	350	28000			

The value of inventory as on 31-1-2023 is 42000 for 120 units as per FIFO method.

Answer 5:**Bank Reconciliation Statement as on 31st March,2021**

Particulars	Amount ₹
Balance as per Pass Book (Dr.)	(3,500)
Add: Cheques deposited but returned on 24 th March,2021	2,500
Discounted bill from Mr. Balaji dishonoured	5,000
Wrong debit in passbook	1,500
	5,500
Less: Bill discounted by bank (2,500+500)	(3000)
Balance as per Cash book (Dr. / Favourable)	2,500

Answer 6:**Trial Balance as on 31st March 2021**

Heads of Accounts	Debit ₹	Credit ₹
Provision for Doubtful Debts	–	200
Bank overdraft	–	1,654
Capital	–	4,591
Trade payables	–	1,637
Trade receivables	2,983	–
Discount Received	–	252
Discount allowed	733	–
Drawings	1,200	–
Office furniture	2,155	–
General Expenses	829	–
Purchases	10,923	–
Returns Inward	330	–
Rent & Rates	314	–
Salaries	2,520	–
Inventory	2,418	–
Provision for Depreciation on Furniture	–	364
Sales	–	16,882
Suspense Account (Balancing figure)	1,175	–
Total	25,580	25,580