

## School of Finance and Commerce

### Bachelor of Commerce Honours in International Accounting and Finance Semester End Examination - Jul 2024

**Duration : 180 Minutes**  
**Max Marks : 100**

#### Sem I - H1UD101T - Financial Accounting and Reporting

General Instructions

*Answer to the specific question asked*

*Draw neat, labelled diagrams wherever necessary*

*Approved data hand books are allowed subject to verification by the Invigilator*

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|-----------------------------|--|-----------------------------|------|-------------|-----|-----------|-----|--------------|----|----------------|-----|----------------------|-----|---------------------|------|------------------------|----|-------------------|------|--|--|--|
| 1)                          | Define statement of changes in equity.   | K1(2)                       |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 2)                          | Nour had receivables of \$4,500 at 1 January 20X5. During the year to 31 December 20X5 credit sales of \$45,000 were made and cash received of \$46,500 from credit customers. Show what balance will be brought down on the receivables account at 31 December 20X5?  | K2(4)                       |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 3)                          | Show categorisation of assets and liabilities in the financial statements.   | K2(6)                       |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 4)                          | Show the Accounting Equation based on the following transactions:<br>i) Kumud Co. commenced business with Cash Rs. 80,000; Bank Rs. 50,000 and Machinery Rs. 1,50,000 ii) Purchased goods for cash Rs. 30,000 iii) Sold goods costing Rs. 12,000 for Rs. 18,000. Half of the payment was received immediately in cash at 5% cash discount. iv) Purchased furniture on credit Rs. 45,000 v) Paid salary Rs. 12,000 and insurance premium Rs. 8,000 vi) Purchased bicycle for his son Rs. 6,000 vii) Depreciation charged on Machinery – Rs. 15,000 viii) Rent received Rs. 6,000 and Interest received Rs. 5,000  | K3(9)                       |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 5)                          | Consider the following scenario: " You have been appointed as cost accountant for Azad Co. and is assigned the job of valuing inventory regarding which FIFO method is being implemented. Referring to the treatment under FIFO method, identify various advantages and disadvantages that may be encountered.   | K3(9)                       |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 6)                          | Enlist, in detail, purpose of following source documents: Quotation Purchase Order Sales Order GDN - Goods despatched note GRN - Goods received note   | K5(10)                      |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 7)                          | Classify given information by preparing statement of financial position of A Ltd. for the year ending 30 December, 20X2 (figures are in \$):   | K4(12)                      |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
|                             | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Property, Plant &amp; Equipment</td> <td style="width: 30%;">1120</td> <td style="width: 30%;">Investments</td> <td style="width: 10%; text-align: right;">868</td> </tr> <tr> <td>Inventory</td> <td>380</td> <td>Cash at Bank</td> <td style="text-align: right;">35</td> </tr> <tr> <td>Trade payables</td> <td>150</td> <td>Accounts Receivables</td> <td style="text-align: right;">190</td> </tr> <tr> <td>\$1 ordinary shares</td> <td>1120</td> <td>Provision for Taxation</td> <td style="text-align: right;">91</td> </tr> <tr> <td>Retained earnings</td> <td>1232</td> <td></td> <td></td> </tr> </table> | Property, Plant & Equipment | 1120 | Investments | 868 | Inventory | 380 | Cash at Bank | 35 | Trade payables | 150 | Accounts Receivables | 190 | \$1 ordinary shares | 1120 | Provision for Taxation | 91 | Retained earnings | 1232 |  |  |  |
| Property, Plant & Equipment | 1120   | Investments                 | 868  |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| Inventory                   | 380  | Cash at Bank                | 35   |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| Trade payables              | 150  | Accounts Receivables        | 190  |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| \$1 ordinary shares         | 1120   | Provision for Taxation      | 91   |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| Retained earnings           | 1232   |                             |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |
| 8)                          | You have been appointed as an accountant of XY Ltd. Under the  | K5(15)                      |      |             |     |           |     |              |    |                |     |                      |     |                     |      |                        |    |                   |      |  |  |  |

purview of your duties you are supposed to maintain the records of the various accounting transactions. Explain, in detail, what procedure/process you would adopt to maintain the accounts of the company.

- 9) "Preparation of financial statements is a time-consuming and expensive process, but is required to be prepared to satisfy groups of people who have an interest in the financial performance of the business." Justify the statement. K5(15)
- 10) Considering yourself as a Finance manager of AB Corp., propose list of various users that you will be considering while providing accounting information. K6(18)