

FINANCIAL ACCOUNTING - 2009

Section-A

Note: Section A is compulsory. Attempt any three questions from Section B and any three questions from Section C.

1. Preliminary expenses are an example of :
 - (i) Revenue expenditure
 - (ii) Deferred revenue expenditure
 - (iii) Capital expenditure
2. There is no different between a holder and a holder in due course.
(True/False)
3. The amount of opening stock can be ascertained by preparing:
 - (i) Memorandum trading account
 - (ii) Total creditors account
 - (iii) Opening statement of affairs
4. The buyer charges depreciation on :
 - (i) Hire purchase price of the asset

15. The following transactions took place in respect of a material item:

Date	Receipt Qty.	Rate (Rs.)	Issue Qty.
03-7-04	200	2.00	-
07-7-04	300	2.40	-
10-7-04	-	-	250
16-7-04	250	2.60	-
25-7-04	-	-	200

Prepare stores ledger account from the following methods :

- (i) Simple average method
- (ii) Weighted average method

- (ii) Cash price of the asset
- (iii) Lower of the two

5. Branch account is credited with the amount of cash as well as credit sales under debtors system.

(True/False)

Section-B

Note: Attempt any three questions.

6. Differentiate between the following :
 - (i) A trade bill and an accommodation bill
 - (ii) Retiring of a bill and renewal of a bill
 - (iii) A time bill-and a demand bill
7. Discuss the salient features and disadvantages of single entry system.
8. Define leasing. Explain different types of lease agreements.
9. What is meant by hire-purchase system? Point out the difference between the hire-purchase system and installment purchase system from :
 - (i) the legal point of view and
 - (ii) the accounting point of view.
10. Differentiate between a Branch and a Department. State the objectives of preparing a separate departmental accounts.

Section-C

Note: Attempt any three questions.

11. Why the distinction between capital and revenue is of great importance in accounting? Give certain examples illustrating how a certain expenditure can be regarded as a capital expenditure as well as a revenue expenditure under different circumstances?
12. Differentiate between a bill of exchange and a promissory note. Give a specimen with at least five entries of the following:
 - (i) A bills receivable book.
 - (ii) A bills payable book.

You are also required to make the posting of these entries in the ledger.
13. What do you mean by single entry system? Explain how the profit can be determined under single entry system.
14. What are the methods of pricing of material issues? When do you advocate pricing the issues at the highest purchase price?

4-6	13	12
6-8	7	19
8-10	5	9
10-12	4	1

What is the average life of each model of these refrigerators?
Which model has greater uniformity?

10. Calculate coefficient of correlation from the following data:

X	Y
28	23
37	32
40	33
38	34
35	30
33	26
40	29
32	31
34	34
33	38

11. What is interpolation? Explain its importance.