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| **SESSION** | **March-2023** |
| **PROGRAM** | **BACHELOR of Commerce (BCom)** |
| **SEMESTER** | **I** |
| **course CODE & NAME** | **DCM1103 – Fundamentals of Accounting I** |
| **CREDITS** | **4** |

**Assignment Set – 1**

**1. A. Describe the types of subsidiary books.**

**Ans:** Subsidiary books, also known as subsidiary ledgers, are a group of accounting books that record detailed information about specific types of transactions.

**The types of subsidiary books include:**

**Sales Day Book:** A book that records all credit sales transactions. Purchases Day Book: A book that records all credit

**2. Explain the debit and credit rules as per the accounting equation and Golden Rules of Accounting.**

**Ans:** Debit and credit are the two sides of an accounting transaction. Each transaction affects two or more accounts, and it is recorded as a debit or credit in each account.

**The accounting equation is**

**Assets =**

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**B. Kumari is a trader dealing in electronic goods who commenced his business in 2015. For the following transactions took place in the month of March 2018, pass journal entries.**

**March**

**1. Purchased goods from Y and Co. on credit ₹60,000**

**2. Sold goods to D and Co. on credit ₹ 30,000**

**3. Paid Y and Co. through bank in full settlement ₹ 58,000**

**4. D and Co.**

**3. Mention which side (debit or credit) and column (Cash/Bank/Discount) will be affected in a three-column cash book for the following transactions-**

**1. Received Cash**

**2. Cash paid**

**3. Discount allowed**

**4. Discount received**

**5. Cash deposited in the bank**

**6. Cash withdrawn for office use**

**7. Cheque received**

**8. Cheque deposited into bank**

**9. Cheque received and deposited into bank**

**10. Cheque issued**

**Ans: In a three-column cash book, the following sides and columns are affected for the given transactions:**

**Received Cash**

**Debit Side:** Cash

**Assignment Set – 2**

**4. Raheem & Co. purchased a fixed asset on 1.4.2018 for Rs.2, 50,000. Depreciation is to be provided @10% annually according to the Straight-line method. The books are closed on 31st March every year. Pass the necessary journal entries, prepare fixed asset Account and Depreciation Account for Five years.**

**Ans: Journal Entries:**

**On 1st April 2018:**

Fixed Asset Account 2, 50,000

To Cash/Bank

**5. A. Explain the different types of Errors in accounting.**

**Ans: Errors in accounting can be classified into two types:**

**Errors of Omission:** These errors occur when a transaction is completely omitted from the accounting records.

**For example,** if a sale transaction is not recorded in the sales journal, it will be considered an error of omission.

**Errors of Commission:** These errors occur when an entry is recorded incorrectly in the accounting records.

**Errors of**

**B. Explain the features of Income and Expenditure Accounts**

**Ans:** Income and Expenditure Account is a nominal account that is prepared by non-profit organizations to ascertain their revenue and expenses for a specific period.

**The features of**

**6. From the given information, prepare the final accounts of ST Ltd.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Debit** | **Rs.** | **Credit** | **Rs.** |
| **Drawings** | **6,300** | **Capital** | **1,50,000** |
| **Cash at bank** | **13,870** | **Discount received** | **2,980** |
| **Bills receivable** | **1,860** | **Loans** | **15,000** |
| **Loan and Building** | **42,580** | **Purchases return** | **1,450** |
| **Furniture** | **5,130** | **Sales** | **2,81,500** |
| **Discount allowed** | **3,960** | **Reserve for bad debts** | **4,650** |
| **Bank charges** | **100** | **Creditors** | **18,670** |
| **Salaries** | **6,420** |  |  |
| **Purchases** | **1,99,080** |  |  |
| **Stock (opening)** | **60,220** |  |  |
| **Sales return** | **1,870** |  |  |
| **Carriage** | **5,170** |  |  |
| **Rent and Taxes** | **7,680** |  |  |
| **General expenses** | **3,630** |  |  |
| **Plant and Machinery** | **31,640** |  |  |
| **Book debts** | **82,740** |  |  |
| **Bad debts** | **1,250** |  |  |
| **Insurance** | **750** |  |  |
|  | **4,74,250** |  | **4,74,250** |

**Adjustments:**

**1. Closing stock Rs. 70,000**

**2. Create a reserve for bad and doubtful debts @ 10% on book debts**

**3. Insurance prepaid Rs. 50**

**4. Rent outstanding Rs. 150**

**5. Interest on loan is due @ 6% p.a.**

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| --- | --- | --- | --- |
| **Solution:** Final Accounts of ST Ltd Loan | 15,000 | - Plant and machinery | 28,476 |