

## NEP - Semester End Examination – October 2025

Program:	<u>F.Y.B.Com - Sem I</u>	Course: <u>Financial Accounting - I</u>
Program Code:	<u>UGCOM01</u>	Course Code: <u>NUCM105</u>

Duration: 1 Hour Max. Marks: 30

## Instructions:

1. Attempt any **two** out of **three** from the following questions..
2. Figures to the right indicate full marks.

Q. 1	Objective Questions.				[15]	Course Outcome	Knowledge Level
(a)		<b>Fill in the blanks with an appropriate answer from the alternatives given.</b>				[08]	
I)		Interest in hire purchase is calculated on the balance of cash price.					
		a.	opening	b.	closing		
		c.	average	d.	total		
II)		The depreciation entry for a hire purchase asset in the buyer's books is: Depreciation A/c Dr. To <span style="margin-left: 20px;">A/c</span>					
		a.	Hire Vendor	b.	Bank		
		c.	Asset	d.	Interest		
III)		Under the cash price method, the interest is debited to the				L1, L2, L3	
		a.	Asset Account	b.	Hire Vendor Account	CO1, CO2, CO3, CO4	
		c.	Interest Account	d.	Profit & Loss Appropriation		
IV)		If the installment includes ₹5,000 as interest and ₹15,000 as principal, the journal entry for payment would debit the Vendor's account and credit Bank A/c and _____ A/c.					
		a.	Asset	b.	Depreciation		
		c.	Interest	d.	Capital		
V)		The basic consideration/s in distinction between capital and revenue expenditure is/are					
		a.	Nature of business	b.	Effect on revenue generating capacity of business		
		c.	Purpose of expenses	d.	All of the above		

		VI)	Capital expenditure is _____ expenditure.			
			a. abnormal	b. recurring		
			c. non - recurring	d. wasteful		
		VII)	_____ is an example of capital expenditure.			
			a. Purchase of goods	b. Cost of repair		
			c. Wages paid for installation of machinery	d. Rent of factory		
		VIII)	All the expenditure and receipts of revenue nature go to			
			a. Trading A/c	b. Profit and Loss A/c		
			Balance sheet	Either to (a) or (b)		
	(b)	<b>State whether the following statements are true or false.</b>				(07)
		I)	The purchaser can mortgage the asset purchased on hire purchase system.			
		II)	The seller has the right to repossess the asset sold under hire purchase system if the hire purchaser fails to pay any installment.			
		III)	Interest on asset purchased on hire purchase basis is charged by the vendor.			
		IV)	Hire Purchase is an agreement between the vendor and the agent.			
		V)	Capital Expenditure is shown as liability in the balance sheet.			
		VI)	Dividend received on shares is a capital receipt.			
		VII)	Revenue expenditure includes the cost of improving the storage capacity of a computer by changing the hard disk.			
Q. 2	<b>Solve the following:</b>				[15]	<b>Course Outcome</b>
	On 1-1-2010 Mr. Mathur purchased machinery from Mr. Ankush and paid ₹8,000 at the time of delivery. The cash price was ₹48,000. The balance amount was paid in the following four instalments on the 31 <sup>st</sup> December every year with interest @ 5% on cash price: ₹12,000 on 31-12-2010; ₹11,500 31-12-2011;					<b>Knowledge Level</b>
						CO1, CO2
						L1, L2, L3, L4

	<p>₹11,000 on 31-12-2012; and 10,500 on 31-12-2013. Machinery was to be depreciated at 10% p.a. on reducing balance method.</p> <p>Prepare Machinery A/c and Vendor's A/c in the books of Mr. Mathur.</p> <p>Use the Full Cash Price (Credit Purchase) method.</p>		
<b>Q. 3</b>	<b>State with reasons whether the following expenses or incomes are Capital or Revenue.</b>	<b>[15]</b>	<b>Course Outcome</b>
	<p>a. A plant worth ₹7,00,000 is bought by the proprietor for business activities.</p> <p>b. Repairs to the roof of the building ₹1,00,000 for protection against rains.</p> <p>c. Carriage and freight paid for bringing machinery ₹12,000 to be used in the factory.</p> <p>d. Payment of legal fees to advocate for preparation of Purchase Agreement of Land and Building ₹20,000.</p> <p>e. Wages paid to workers ₹10,500 for erection of new machinery in their own plant.</p>	<p>CO3, CO4</p> <p>L1, L2, L3, L4</p>	

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