



NMIMS Global Access

School for Continuing Education (NGA-SCE)

Course: Essentials of Financial Accounting

Internal Assignment Applicable for September 2022 Examination

Assignment Marks: 30

Instructions:

- All Questions carry equal marks.
- All Questions are compulsory
- All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible.
- All answers to be written individually. Discussion and group work is not advisable.
- Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.
- Students should write the assignment in their own words. Copying of assignments from other students is not allowed.
- Students should follow the following parameter for answering the assignment questions.

For Theoretical Answer	
Assessment Parameter	Weightage
Introduction	20%
Concepts and Application related to the question	60%
Conclusion	20%

For Numerical Answer	
Assessment Parameter	Weightage
Understanding and usage of the formula	20%
Procedure / Steps	60%
Correct Answer & Interpretation	20%

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1. XYZ Enterprise purchased a Machine for Rs 100000 on 1st April, 2010 and spent Rs 15000 on its freight and Rs 7000 on installation. The estimated useful life of Machine is 10 years and the scrap value is Rs 12000. The Enterprise closes the account on 31st March every year.



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- a) Calculate the depreciation using the straight line method.
- b) Discuss & prepare accounts for 3 years
- c) After 20 Years the Machine is sold for Rs 10000. State whether is a gain or loss. If the Machine is sold for Rs 15000 will there be a gain or loss & interpret it.

(10 Marks)

2. ABC company is operating in Bangalore. Trial Balance still does not agree.

Following errors are made by an Accountant. Identify the type of error and give steps to rectify it and pass Journal entries

- a) Rent paid Rs 10000 was not recorded
- b) Salary paid Rs 7800 was recorded as Rs 7500
- c) Wages payable Rs 15000 in last year not recorded in Books of Accounts.
- d) Commission paid Rs 5000 by cheque was recorded as commission received in cash

(10 Marks)

3.a. If Moon Ltd has assets worth Rs 100000 and Liabilities Rs 100000. Moon Ltd sold goods worth Rs 50000 to Sun Ltd on credit. Moon Ltd withdrawn cash Rs 10000 for personal use. Discuss the procedure and frame the accounting equation for above transaction and find out effect on Business and interpret it

(5 Marks)

3.b. If Moon Ltd has assets worth Rs 50000 and Liabilities Rs 50000. Moon Ltd paid salaries Rs 10000. Moon Ltd sold furniture for Rs 10000. Discuss the procedure and frame the accounting equation for above transaction and find out effect on Business and Interpret it.

(5 Marks)
