Enrolment No. _____

AHMEDABAD UNIVERSITY

AMRUT MODY SCHOOL OF MANAGEMENT

UNDERGRADUATE PROGRAMMES

2025-2026 WINTER SEMESTER

MID-SEMESTER EXAMINATION

FAC114 FINANCIAL ACCOUNTING

Date: 27-02-2026 Total Marks: 30

Time: 08.00 am – 10.00 am No. of printed pages: 03

General Instructions:

1. Students must carry their identity card during the examination.
2. No break is allowed during the examination under any circumstances. In case of an emergency, with prior permission of the invigilator and an escort, a break of maximum five minutes is allowed.
3. No unauthorized devices, such as mobile phones, any kind of watches, other gadgets, or any kind of material is allowed on person.
4. Any violation of examination rules and an intent of malpractice will lead to strict disciplinary action, including a possible expulsion from the university.

Course Specific Instructions:

1. **Enter the following transactions in the Journal of Mr. Darshan, Post to the Ledger and prepare the Trial Balance for the month of July:** **(8 Marks)**
   A. 1st July – Mr. Darshan started business with cash of ₹8,00,000
   B. 3rd July – Purchased Furniture worth ₹ 2,00,000.
   C. 7th July – Purchased goods of ₹4,50,000 from Aone Traders and paid ₹2,50,000 in cash.
   D. 15th July – Mr. Darshan withdrew ₹80,000 cash for personal purpose.
   E. 29th July – Wages ₹40,000 (₹30,000 paid in cash, ₹10,000 outstanding).
   F. 31st July – Insurance premium paid on goods ₹4,80,000 (Half of which is in advance for the next month).

2. **Do as directed :**
   A. Glow Beauty Limited is a company primarily operating in the domestic market. During the financial year 2024–25, it received its first export order worth $3.5 million for the supply of skincare products to the USA. The order was successfully executed on 15th December 2024. The customer was granted a credit period of 60 days for making payment.
   The exchange rate on 15th December 2024 was ₹82 per $, whereas the payment was received on 12th February 2025, when the exchange rate was ₹83.20 per $.

   How will the above transaction appear in the Profit and Loss Account for the year 2024–25? Show necessary calculations along with the journal entry. **(3 Marks)**

   B. During the year 2025–26, Sunrise Enterprises reported an invoice value of goods sold amounting to ₹480 million. The company allowed trade discounts totalling ₹15 million during the year. Additionally, GST at 12% was charged on the invoice price and collected from customers, which was later remitted to the Government.
   The company's normal credit period is 45 days. It also offers a cash discount of 2% to customers who make payment within 15 days from the date of the invoice. During the year, all customers representing the sales value availed of the cash discount facility.

   How should the revenue from sales be presented in the Statement of Profit and Loss for the year 2025–26? Show necessary calculations along with the journal entry. **(3 Marks)**

3. Meera Industries is a manufacturer of eco-friendly water bottles. The company follows the FIFO method under the perpetual inventory system. The following details relate to the month of March 2025:

	Date	Quantity	Unit Price (₹)
	Opening Stock on 1st March, 2025	500 Units	90
Receipts:	5th March	300 units	95
	12th March	400 units	100
	18th March	250 units	92
	27th March	350 units	105
Sales:	8th March	450 units	150
	16th March	500 units	150
	25th March	300 units	150

Prepare Stock Register and calculate the following: **(8 Marks)**
1. **Cost of good available for sale**
2. **Value of Closing Inventory and**
3. **Cost of Goods Sold**
4. **Gross Profit**

4. Kena Ltd bought a lathe machine for ₹ 8,00,000. The lathe had an estimated useful life of 6 years and a residual value of ₹ 80,000. Praksha Ltd follows the Straight line method for calculation of Depreciation. At the beginning of the fourth year, they decide to switch to the Written Down Value Method because the management believes that it better captures the pattern of realisation of the benefits from the assets. The rate of Depreciation as per written down value method is 45%. There is no change in the residual value.

You are required to calculate the amount of depreciation for all 6 years **(4 Marks)**

5. The costs associated with the acquisition of Industrial Robot is as follows

Particulars	₹
List Price	40,00,000
Trade Discount	10%
Transit Insurance	45,000
Shipping charges	1,25,000
Installation Charges	35,000

The company had taken a loan of ₹ 20,00,000 to buy this Industrial Robot on 1st April, 2024. The Industrial Robot was tested and started to use on 1st November, 2024. The loan is paid at the end of the year 2024-25. The interest rate on the loan is 12% p.a.

Required: Calculate the Cost of Acquisition of the Industrial Robot. **(4 Marks)**