

Answer the following, each question carries equal marks.

1. Define Financial Accounting and explain its Objectives with Importance?
2. (a) Write about the process of accounting?
(b) Briefly explain the accounting Concepts and Conventions?
3. From the following Trail Balance and additional information, You are required to prepare Trading, Profit & Loss account and Balance Sheet for the year ended 31.Dec.2015

Debit Balances	Amount		
		Rent	4500
Drawings	17000	Misc. Expenses	1500
Plant and Machinery	120000	Bad debts	5000
Horses & Carts	26000	Carriage inwards	1600
Debtors	36000	Debit Total	293500
Purchases	20000	Credit Balances	Amount
Wages	8000	Creditors	20000
Cash at Bank	26000	Sales	42000
Salaries	8000	Interest	13500
Repairs	1900	Purchases Returns	2000
Opening stock	16000	Commission	16000
Sales Returns	1000	Capital	200000
Discount	1000	Credit Total	293500

Adjustments: Closing Stock Rs.16000, Depreciate Plant and Machinery 10% & Horses & Carts 10%, Paid rent Rs.1500 in advance, Accrued interest Rs.1500, Allow 10 % Provision for Bad debts on Debtors.

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