

rMr v ULLIlti Ut AK I
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2017
(First Semester)

Branch - **COST & MANAGEMENT ACCOUNTING**

FINANCIAL ACCOUNTING !

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10x2 = 20)

- 1 What is ledger?
- 2 What is Journal?
- 3 What do you mean by outstanding expenses?
- 4 What are Bad debts?
- 5 Define Single Entry System.
- 6 What is Error of Omission?
- 7 What is Depreciation?
- 8 What do you mean by diminishing balance method?
- 9 What is meant by Bank Reconciliation Statement?
- 10 What do you mean by Life membership fees?

SECTION - B (25 Marks!)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Journalize the following transactions
Jan.1 Purchased goods for cash Rs. 10,000
Jan.2 Sold goods to James Rs.2,000
Jan.3 Paid Salary of Rs. 8,000
Jan.4 Purchased stationery for cash Rs.500
Jan.5 Received Rs.7,000 from Kamal as loan at 5% interest
OR
b Enter the following transaction in the purchase and sales book from the following data for the year 2011.
Jan.1 Purchased goods from Ramesh Rs.6,000
Jan.3 Sold goods to Ramya Rs.2,000
Jan.5 Bought goods from Kamal Rs. 1,000
Jan. 17 Sold goods to babu Rs.3,000
Jan.30 Bought goods from Raghu Rs.4,000
- 12 a Prepare trading account a Arun for the year ending 31.12.96 from the following information:

Opening Stock Rs.80,000	Purchases	Rs.8,60,000
Freight Inward Rs. 52,000	Wages	Rs.24,000
Sales Rs. 1,44,000	Purchase Returns	Rs.10,000
Sales Returns Rs. 3,16,000	Closing Stock	Rs. 1,00,000
Import duty Rs.30,000		

OR

b Write short note on Capital expenditure.
- 13 a Rectify the following errors:
 - (i) Purchase Book is over cast by Rs.300 (for the month of March).
 - (ii) Sales book has been under cast by Rs.200
 - (iii) Purchase returns books has been over cast by Rs.75
 - (iv) Sales returns book has been under cast by Rs.50

OR

Cont...

13

b Discuss the features of Single Entry System.

- 14 a A company acquired a machine on 1.1.2008 at a cost of Rs.40,000 and spent Rs. 1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31st December of each year. Show machinery account for 3 years.

OR

b Explain the causes of Depreciation.

- 15 a From the following details, ascertain the amount of subscriptions to be credited to income and expenditure account for the year 1999.

Subscriptions received in 1999-Rs.48,000 which include Rs.4,000 for 199*8 and Rs.8,000 for Rs.2,000. Subscription due but not received at the end of the year 1999 were Rs.20,000. Subscription received in 1998 in advance for 1999 were Rs. 12,000.

OR

- b Prepare a bank reconciliation statement from the following data as on 31.12.2015

Particulars	Rs.
(i) Balance as per cash book	12,500
(ii) Cheques issued but not presented for payment	900
(iii) Cheque deposited in bank but not collected	1,200
(iv) Bank paid insurance premium	500
(v) Direct deposit by a customer	800
(vi) Interest on investment collect by bank	200
(vii) Bank Charges	100

SECTION - C (30 Marks)Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 The following balances were extracted from the ledger of Arun & Co as on 31st March 2015. You are required to prepare a trial balance as on that date in proper form.

Particulars	Rs.	Particulars	Rs.
Drawings	6,000	Opening Stock	47,000
Capital	24,000	Cash in hand	900
Sundry Creditors	43,000	Cash at Bank	12,500
Bills Payable	4,000	Tax	3,500
Sundry Debtors	50,000	Sales	1,28,000
Bills Receivable	5,200	Salaries	9,500
Loan from Karthick	10,000	Sales Returns	1,000
Furniture & Fixtures	4,500	Purchase returns	1,100
Traveling Expenses	4,600	Commission paid	1,000
Trading Expenses	2,500	Discount earned	4,000
Rent	2,000	Bank Overdraft	6,000
Purchases	70,800		

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17 From the following trial balance as on 31.12.2012, prepare the Trading, Profit and Loss account and Balance sheet.

Debit balances	Amount	Credit balances	Amount
Salaries	6,000	Capital S	25,000
Purchases	26,000	Sales	47,000
Trade Expenses	1,000	Discount	200
Wages	7,800	Creditors	21,000
Carriages	400	Bills Payable	6,800
Office Expenses	500		
Commission	1,200		
Bad debts	1,200		
Debtors	30,000		
Furniture	3,000		
Machinery	10,000		
Insurance	400		
Bills Receivable	2,000		
Opening Stock	7,000		
Cash in hand	500		
Cash at Bank	3,600		1

Adjustments:

- > Closing Stock Rs. 11,000
- > Outstanding wages Rs.2,000
- > Prepaid insurance Rs.50
- > Provide bad debts reserve at 5%
- > Depreciation on machinery and furniture by 5%

18 From the following information, you are required to calculate total sales:

- > Bills receivable in the beginning Rs.7,800
- > Debtors in the beginning Rs.30,800
- > Bills receivable encashed during the year Rs.20,900
- > Cash received from debtors Rs.70,000
- > Bad debts written off Rs.2,800
- > Return inwards Rs.8,700
- > Bills receivable dishonoured Rs. 1,800
- > Bills receivable at the end Rs.6,000
- > Debtors at the end Rs.25,500
- > Cash sales (as per cash book) Rs.40,900

19 A firm purchases a 5 years lease for Rs.80,000 on 1st January. It decides to write off depreciation on the Annuity method, presuming the rate of interest to be 5% per annum. The annuity tables show that a sum of Rs. 18,478 should be written off every year. Show the least account for five years. Calculations are to be made to the nearest rupee.

20 Prepare Receipts and Payment account of a club for the year ended 31st December 2009 from the following particulars:

Particulars	Amount in Rs.
Opening balance of cash	40,000
Receipts of entrance fees	8,000
Subscriptions received for 2009	16,000
Previous year's subscriptions received	1,600
Paid salaries	2,000
Paid for miscellaneous expenses	200
Rent paid	1,200
Payment for Purchaser of Cricket balls	500
Payment for Purchase of Cricket bats	1,600
Balance carried forward in cash	100