

B.Sc. DEGREE EXAMINATION, NOVEMBER 2018
I Year I Semester
Allied - Paper I
FINANCIAL ACCOUNTING

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. Define the term 'Going Concern Concept'.
2. What is Convention of Conservatism?
3. X Ltd. purchased a car for Rs.100,000 by issuing a cheque. Pass the journal entry with narration.
4. What is Book - Keeping?
5. What is a Trading Account?
6. Define the term 'Bad Debts'.
7. Explain the Straight Line method of depreciation.
8. What is need for providing depreciation?
9. Define 'Single Entry'.
10. What is 'Statement of Affairs'? Why it is prepared?
11. Define 'Errors of Principle'.
12. What is an Intangible Asset? Give Examples.

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. Explain the objectives of Accounting.
14. Distinguish between Journal and Ledger.
15. Journalise the following transaction of M/s ABCD & Sons:

Date	Particulars	Amount [Rs.]
2017 1st January	Business started with a capital of Rs.500,000 and cash deposited with bank	300,000
3rd January	Purchased machinery on credit from Mr. X	75,000
6th January	Bought furniture from Mr. Y for Cash	20,000
12th January	Goods sold to Mr. Z	30,000

16. A Company purchased a plant for Rs.100,000. The useful life of the plant is 10 years and the residual value is Rs.15,000. Find out the rate of depreciation under the straight line method.
17. Find out profit from the following data:

Particulars	Amount [Rs.]
Capital at the beginning of the year	10,00,000
Drawings during the year	2,00,000
Capital at the end of the year	15,00,000
Capital introduced during the year	5,00,000

18. State the differences between Double Entry and Single Entry System.
19. Explain the causes of depreciation.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Explain the various Accounts Concepts.
21. Prepare Trading, Profit / Loss Account and Balance Sheet from the following Trial Balance of Mr. A:

Debit Balances	Amount [Rs.]	Credit Balances	Amount [Rs.]
Sundry Debtors	92,000	X's Capital	70,000
Plant & Machinery	20,000	Purchase Returns	2,600
Interest	430	Sales	250,000
Rent, rates, taxes & Insurances	5,600	Sundry Creditors	60,000
Conveyance charges	1,320	Bank Overdraft	20,000
Wages	7,000		
Sales Return	5,400		
Purchases	1,50,000		
Opening Stock	60,000		
X's drawings	22,000		
Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad Debts	800		
Business Premises	12,000		
Furnitures & Fixtures	10,000		
Cash in hand	2,060		
Total:	4,02,600	Total:	4,02,600

Adjustments:

[i] Stock on hand on 31.12.2015: Rs.90,000

[ii] Provide depreciation on premises at 2.5%, Plant & Machinery at 7.5% and furniture & Fixtures at 10%.

[iii] Write off Rs.800 as further bad debts

[iv] Provide for doubtful debts at 5% on sundry debtors

[v] Outstanding rent was Rs.500 and outstanding wages Rs.400

[vi] Prepaid Insurance Rs.300 and prepaid salaries Rs.700

22. M/s Chand & Co. purchased a machinery for Rs.22,000 on 1st January 2016. The estimated life of the machinery is 10 years, after which its break-up value will be Rs..2,000. Depreciation has to be charged at 21% on the diminishing balance. There was an addition to the original plant on 1st January 2018 to the value of Rs.4,000/ You are required to prepare machinery a/c for the first three years.
23. Mr. B commenced his business with a capital of Rs.12,000 on 1.1.2010. Subsequently on 1.5.2010, he invested further capital of Rs.5,000. During the year, he has withdrawn as Rs.2,000 for his personal use. On 31.12.2010, his assets and liabilities were as follows:

Particulars	Rs.
Cash at bank	3,000
Debtors	4,000
Stock	16,000
Furniture	2,000
Creditors	5,000

Calculate the Profit [or] Loss made during the year 2010.