

B.Com. DEGREE EXAMINATION, NOVEMBER 2018
I Year I Semester
Core Major- Paper I
FINANCIAL ACCOUNTING - I

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define –Ledger.
2. What is Bank Reconciliation Statement?
3. What is an average clause?
4. What is depreciation?
5. Define Single entry system.
6. What is meant by Non-profit organization?
7. Explain the term compensating errors.
8. Journalize the following:
January 1 Krishnan started business with cash Rs.10000
January 3 cash sales Rs.20000
January 5 Drew from bank for personal use Rs.5000
9. Rectify the following errors:
(a) Purchase book is over cast by Rs.500
(b) Sales book has been under cast by Rs.300
10. A company purchased a plant for Rs.50000. The useful life of the plant is 10 years and the residual value is Rs.10000. Find out the rate of depreciation under the straight-line method.
11. Calculate the missing figure:
Profit made during the year Rs.2400
Capital at the end Rs.8000
Capital introduced during the year Rs.2000
Drawings Rs.1200
Capital in the beginning?
12. What is consignment?

Section B ($5 \times 5 = 25$) MarksAnswer any **FIVE** questions

13. What are the objectives of accounting?
14. Prepare a trial balance from the following balances:

	Rs.		Rs.
Capital	18000	Rent outstanding	2000
Plant and Machinery	24000	Opening stock	4000
Purchases	16000	Sales returns	8000
Sales	24000	Investment	28000
Sundry creditors	16000	Debtors	24000
Bank loan	44000		

15. Prepare Trading Account of Ramesh for the year ending 31-12-96 from the following information:

	Rs.		Rs.
Opening stock	80000	Purchase returns	10000
Purchases	860000	Sales returns	316000
Freight inward	52000	Closing stock	100000
Wages	24000	Import duty	30000
Sales	1440000		

16. Make Bank Reconciliation Statement from the following:
- Debit balance as per Cash book Rs.2000
 - Cheques issued but not presented Rs.150
 - Cheques deposited but not collected by bank Rs.100
 - Interest charged by Bank Rs.20.
17. An asset is purchased for Rs.25000. Depreciation is to be provided annually according to the straight-line method. The useful life of the asset is 10 years and the residual value Rs.5000.
- You are required to find out the rate of depreciation and prepare the Asset A/c for the 3 years.
18. A fire occurred on 1.9.93 in the godown of Mr.Ganesan. From the following particulars find out the claim to be lodged:

Stock on 1.1.93 Rs.25300

Purchases from 1.1.93 to date of fire Rs.50400

Sales from 1.1.93 to date of fire Rs.156000

Manufacturing expenses and wages Rs.60000

Goods taken by Ganesan at cost Rs.2500

The rate of gross profit on cost is 30%

Value of salvaged stock Rs.3600

19. From the following facts you are required to calculate total purchases:

Bills payable on 1st January Rs.5000

Creditors 1st January Rs.6000

Bills payable 31st December Rs.7000

Creditors 31st December Rs.4000

Cash paid to creditors during the year Rs.30200

Bills payable discharged during the year Rs.8900

Returns outwards Rs.1200

Cash purchases Rs.25800.

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

Answer any **TWO** questions

20. From the following trial balance of Mr. Rehman as on 31.3.1995, prepare Trading, Profit and loss A/c and Balance sheet taking into account the adjustments.

Debit balances	Rs.	Credit balances	Rs.
Land and buildings	42000	Capital	62000
Machinery	20000	Sales	98780
Patents	7500	Return outwards	500
Stock	5760	Sundry creditors	6300
Sundry Debtors	14500	Bills payable	9000
Purchases	40675		
Cash in hand	540		
Cash at bank	2630		
Return inwards	680		
Wages	8480		
Fuel and power	4730		
Carriage on sales	3200		
Carriage on purchases	2040		
Salaries	15000		
General expenses	3000		
Insurance	600		
Drawings	5245		
Total	176580	Total	176580

Adjustments:

- (1) Stock on 31.3.1995 was Rs. 6800
- (2) Salary outstanding Rs. 1500
- (3) Insurance prepaid Rs.150

- (4) Depreciate machinery @ 10% and patents @ 20%
- (5) Create a provision of 2% on debtors for bad debts.
21. A company whose accounting year is the calendar year, purchased on 1-1-93 a machine for Rs.40000. It purchased further machinery on 1st Oct 1993 for Rs.20000 and on 1st July 1994 for Rs.10000. On 1.7.1995, 1/4th of the machinery installed on 1.1.1993 became obsolete and was sold for Rs. 6800. Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing balance method. Depreciation is to be provided at 10% per annum.
22. From the under-mentioned particulars of Mr.M.Mohan prepare a Bank Reconciliation Statement as on 31st July 1994
- (i) Cheques paid into Bank on the 28th July 1994 but credited to Mohan's account in the first week of August 1994. K.Kalyan Rs.1000. J.Joy Rs.800. R.Ragul Rs.1200
- (ii) The following cheques were issued by Mohan on 30th July 1994 but presented to bank for payment after the close of the year. D.David Rs.1200. H.Hari Rs.1000. L.Lal Rs.800
- (iii) A cheque for Rs.300 was credited direct to the account and was not passed through the cash book.
- (iv) The Bank balance as per cash book on 31st July 1994 amounted to Rs.30000.
23. Ajay keeps his books by the single entry method. His position on 31-12-1977 and 31-12-1978 was as follows:

Particulars	1977(Rs.)	1978(Rs.)
Cash in hand	250	300
Cash at bank	2750	2200
Stock in trade	21000	18000
Sundry debtors	7500	12000
Fixtures & fittings	1750	1575
Machinery	15000	25000
Sundry creditors	18000	23000

During the year, Ajay introduced Rs.5000 as further capital in the business and withdrew Rs.600 P.m. From the above, prepare a statement showing the profit or loss made by him for the year ended 31-12-1978.