

**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 × 2 = 20) Marks

Answer any **TEN** questions

1. Write a note on Going Concern concept.
2. Define Accounting Standard 6.
3. Explain error of omission.
4. What is Bank Reconciliation Statement?
5. What do you mean by Statement of affairs?
6. Rectify the following errors:  
 Purchase book is overcast by Rs.500  
 Sales book has been undercast by Rs.300  
 Purchase returns book has been overcast by Rs.50  
 Sales returns book has been undercast by Rs. 75
7. Kannan purchased goods from Raman, the due dates for payment in cash being as follows:  
 Mar.15, 2017 Rs. 1,000 Due 18th April 2017  
 Apr.21, 2017 Rs. 1,500 Due 24<sup>th</sup> May 2017  
 Apr.27, 2017 Rs. 500 Due 30<sup>th</sup> June 2017  
 May.15, 2017 Rs. 600 Due 18<sup>th</sup> July 2017  
 Raman agreed to draw a bill for the total amount due on the average due date. Ascertain that date.
8. Prepare a bank reconciliation statement from the following data as on 31.12.2015.
 

	Rs.
Balance as per cash book	12,500
Cheques issued but not presented for payment	900
Cheques deposited in bank but not collected	1,200
Bank paid insurance premium	500
Direct deposit by a customer	800
Interest on investment collected by bank	200
Bank charges	100
9. An asset is purchased for Rs.40,000. 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 is Rs.10,000. You are required to find out the rate of depreciation.

10. A Company acquired a machine on 1.1.2014 at a cost of Rs.40,000 and spent Rs.1,000 on its installation. The firm writes off depreciation of 10% on the diminishing balance. The books are closed on 31<sup>st</sup> December of each year. Show the Machinery A/c for 3 years.
11. Find out profit from the following data:

	Rs.
Capital at the beginning of the year	8,00,000
Drawings during the year	1,80,000
Capital at the end of the year	9,00,000
Capital introduced during the year	50,000

12. Mohan, a retail merchant commenced business with a capital of Rs.12,000 on 1.1.2016. Subsequently on 1.5.2016 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31.12.2016, his assets and liabilities were as follows:

	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 2016.

### Section B (5 × 5 = 25) Marks

Answer any **FIVE** questions

13. Explain the Accounting Conventions in detail.
14. Give journal entries for the following transactions.
  - a.) Started business with cash Rs. 60,000.
  - b.) Opened a business bank account with a deposit of Rs.20,000.
  - c.) Purchased machinery for Rs.22,000 by paying cash of Rs.15,000 and the balance on account.
  - d.) Earned commission in cash Rs. 900.
  - e.) Withdrew cash Rs.2,700 from bank.
  - f.) Paid Office Rent Rs. 1,100.
15. A Book-keeper having failed to agree the Trial balance, opened a suspense a/c and transferred the difference of Rs.1895 to the credit of suspense a/c. The following errors were later discovered. Pass the rectifying entries and close the suspense a/c.
 

Sales book was undercast by Rs.2000

Purchase of Machinery for Rs. 3000 was passed through the purchase book.

Goods sold to Arun for Rs.225 was posted to his account as Rs. 270.

Purchase returns book overcast by Rs. 100.

The total of sales book from page 32 was carried forward as 154 instead as Rs.104.

16. Ram owes Swamy the following sums of money due from him on the dates stated:

Rs. 300 due on March 9, 2013

Rs. 1,000 due on April 2, 2013

Rs. 4,000 due on April 30, 2013

Rs. 100 due on June 1, 2013

He wants to make the complete payment on 30.6.2013. Calculate interest at 5% p.a. with the help of Average due date method.

17. A fire occurred at the premises of a trader on 31.5.2014 destroying a great part of his goods. His stock on 1.1.2014 was Rs. 60,000. The value of stock salvaged was Rs. 13,500. The gross profit on sales was 30% and sales amounted to Rs. 1,53,000 from January to date of fire, while for the same period the purchases amounted to Rs.1,03,500. Prepare a statement of claim.
18. From the following particulars find out the cash received from debtors:

Particulars	Amount (Rs)
Opening balance of debtors	25,000
Total sales (including Rs. 5,000 cash sales)	1,07,000
Discount allowed	500
Discount received	1,200
Closing balance of creditors	15,300
Closing balance of debtors	14,700

19. From the following particulars find out the credit purchases:

	Rs.
Opening balance of sundry creditors	40,000
Payment by cheques	2,35,000
Payment by bills payable	25,000
Payment in cash	5,000
Discount Received	2,500
Purchase returns	5,000
Closing balance of sundry creditors	47,500

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

Answer any **TWO** questions

20. Explain the Accounting Concepts in detail.
21. The cash book of Mr. Anand showed a bank balance of Rs. 2,760 on 31.1.2008. On comparison with the bank pass book, the following particulars were ascertained.
- (a) Cheques paid in but not yet credited in the pass book Rs. 6,000
- (b) Cheques issued but not presented for payment Rs. 2500

- (c) Life insurance premium remitted by the bank but not yet entered in the cash book Rs. 8,320.
- (d) Interest on debentures collected by the bank recorded in pass book only Rs. 6,000.
- (e) Bank column on the credit side of the cash book undercast by Rs.110.
- (f) Bank charges entered in the pass book as Rs. 70

Prepare a Bank Reconciliation Statement.

22. A Second hand machinery was purchased on 1.1.2010 for ' 30,000 and repair charges amounted to ' 6,000. It was installed at a cost of ' 4,000. On 1<sup>st</sup> July, 2011 another machine was purchased for ' 26,000. On 1<sup>st</sup> July 2012 the first purchased machine was sold for ' 30,000. On the same day one more machine was bought for ' 25,000. On 31.12.2012 the machine bought on 1<sup>st</sup> July, 2011 was sold for ' 23,000. Accounts are closed every year on 31<sup>st</sup> December. Depreciation is written off at 15% per annum on the original cost. Prepare the machinery account for 3 years ending 31.12.2012.
23. A trader keeps his books by single entry system. During the year 2015 he kept a cash book of which the following is an analysis.

Particulars	01-01-2015 (Rs)	31-12-2015 (Rs)
Sundry debtors	15,300	16,000
Sundry creditors	11,500	11,900
Bank over draft	8,000	_____
Building	42,500	_____
Stock	21,800	26,000
Cash	600	_____

The cash book gives the following information:

Particulars	Amount(Rs)
Received from sundry debtors	64,000
Additional capital introduced on 01-01-2015	8,000
Loan from Z at 16%p.a on 01-07-2015	10,500
Paid to sundry creditors	57,700
General expenses paid	3,900
Salaries paid	3,000
Drawings	4,000
Deposited in the bank	50,000
Withdrawal from bank	36,000

Depreciate building at 5% and provide interest on Z's loan. Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2015 and Balance Sheet as on that date.