

B.Com.(CS) 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 Accounting.
2. What are the different Accounting Concepts?
3. What are accrued incomes? Give examples.
4. Give the meaning of Average Due Date.
5. What is Bank Reconciliation Statement?
6. What is single entry system?
7. Define Depreciation.
8. What is salvaged stock?
9. Rectify the following errors:
 - (a) Sales to Sridhar Rs.152, posted to his account as Rs.125.
 - (b) Receives Rs. 37 from Babu posted to his account as Rs. 39.
10. A machine was purchased for Rs.30,000. This is expected to last for 5 years. Estimated scrap at the end of five years is Rs.5,000. Calculate the rate of depreciation.
11. The value of insurance policy for the loss of stock is Rs.1,50,000 and stock in hand on the date of fire is Rs.2,10,000 out of which stock destroyed is estimated to be Rs.1,05,000. Ascertain the claim admitted by the insurance company.
12. Find out the 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.

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

Answer any **FIVE** questions

13. Describe the various Accounting Conventions.

14. Pass the rectifying entries for the following errors :

- (a) Purchase of machinery for Rs.6,000 was passed through the purchase book.
- (b) Goods sold to Shakthivel for Rs.450 was posted to his account as Rs.540.
- (c) Rent paid to landlord Rs.2,600 was debited to landlord's personal account.
- (d) Sales returns book was under cast by Rs.10.

15. Prepare Profit & Loss A/c for the year ending on 31.03.2016.

Particulars	Rs.	Particulars	Rs.
Gross profit	25,000	Travelling expenses	500
Salaries	5,600	Stationery	75
Insurance	200	Rent	650
Discount allowed	400	Interest on loan	225
Discount received	300	Repairs	125
Commission earned	100	Office expenses	55
Advertisement	450	General expenses	875
Taxes	150	Postage	175
Printing charges	375		

16. From the following details find out the average due date of Mr. Kannan who wishes to settle them with one single payment.

Transaction Date	Due Date	Amount(Rs.)
01.04.2005	06.06.2005	800
30.04.2005	03.08.2005	1,000
03.04.2005	06.07.2005	400
15.06.2005	18.09.2005	600

17. On 01.01.1999, the amount due from Arun to Akbar was Rs.10,000. During the six months ended June, the transactions were as follows:

1999

Feb.10	Sold goods to Arun	20,000
Mar.15	Purchased goods from Arun	6,000
Apr.20.	Cash received from Arun	8,000
May 15.	Cash paid to Arun	6,000

Prepare an account current to be rendered by Akbar to Arun on 30.06.1999 calculating interest at 12% p.a.

18. A fire occurred on 15th September 2006 in the Godown of a merchant. From the following particulars, calculate the amount of claim.

Particulars	Rs.
Stock on 1st April 2006	1,05,300
Purchases from 1st April 2006 to date of fire	3,50,400
Manufacturing expenses and wages	2,60,000
Sales from 1st April 2006 to date of fire	6,76,000
Goods taken for personal use	10,500

19. From the following information calculate total purchase.

	Rs.
Cash Purchases	85,000
Creditors on 1-4-98	40,000
Cash paid to creditors	1,55,000
Purchases returns	5,000
Creditors on 31-3-98	67,000

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

Answer any **TWO** questions

20. From the following Trial Balance of Thiru. Rehman as on 31st March 1995, Prepare Trading and Profit & Loss A/c and Balance Sheet taking into account the adjustments:

Debit balances	Rs.	Credit balances	Rs.
Land and Building	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Stock 1-4-1994	5,760	Sundry creditors	6,300
Sundry debtors	14,500	Bills payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel & power	4,730		
Carriage on Sales	3,200		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		1,76,580

Adjustments:

- (i) Stock on 31-3-1995 was Rs. 6,800.
- (ii) Salary outstanding Rs. 1,500.
- (iii) Insurance prepaid Rs. 150.
- (iv) Depreciate machinery @ 10% and Patents @20%.
- (v) Create a provision of 20% on debtors for bad debts.

21. From the following particulars, make out a bank reconciliation statement for M/s. Giri & Co., as on 31st December 2007 to find out the balance as per Pass Book.

- (a) Cheques deposited but not yet collected by the bank Rs.1,500.
 - (b) Cheques issued to Ashok has not yet been presented for payment Rs.2,500
 - (c) Bank Charges debited in the pass book Rs.200
 - (d) Interest allowed by the bank Rs.100
 - (e) Insurance premium directly paid by the bank as per standing instruction Rs.500
 - (f) Balances as per cash book Rs.200.
22. A machine purchased on 1st July 2003 at a cost of Rs. 14,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs. 9,500 on 31st March 2006. Show the machinery account for all the years.
23. Mr. Mano keeps his books on Single entry were under on 31.12.90 and 31.12.91.

	1990	1991
Cash in hand	400	480
Cash at bank	6,000	2,500
Stock	6,500	5,000
Debtors	4,000	5,200
Furniture	300	350
Sundry creditors	4,100	3,100

He withdraws Rs. 7,500 from business on 2.1.91 out of which he spent Rs. 5,200 for purchase of a motor truck for the business.

Adjustments:

- (a) Depreciation on closing balance of furniture and truck at 10%
- (b) Write off Rs. 220 as bad debts
- (c) 5% Provision for bad and doubtful debts is needed.

Find out the profit or loss for the year.