

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

**Time : 3 Hours**

**Max.marks :75**

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

Answer any **TEN** questions

1. Define Journal.
2. Journalise the following transaction.  
 Purchased goods on credit from Sukumar Rs. 5,000.
3. What do you understand by final accounts?
4. The following information was taken from an Income statement:
 

Sales	Rs.1,60,000
Sales Return	Rs.10,000
Gross Profit	Rs.60,000

 Determine the cost of goods sold.
5. What do you understand by Non- Trading Organisation?
6. How will the following appear in income and expenditure account of Sports Club for the year 31st December 2017, and in the balance sheet on that date.
 

	Rs.
Stock of Sports Materials on 01-01-2017	800
Stock of Sports Materials on 31-12-2017	1,200
Purchase of Sports Materials during the Year 2017	5,000
Sale of Old Sports Material during the Year 2017	300
7. What is Bank Reconciliation Statement?
8. Rectify the following error.  
 An amount of Rs. 2,000 withdrawn by the proprietor for his personal use has been debited to trade expenses account.
9. What is depreciation?
10. Cost of Fixed Asset Rs. 6,800; Scrap Value Rs. 800; Life of the assets- 10 years. Calculate its depreciation per year.
11. How will the following item appear in the final accounts of a Non trading concern? Prize fund Rs. 70,000.
12. Cost of goods sold Rs. 8,00,000, opening stock Rs. 1,00,000; Closing stock Rs. 1,20,000. Calculate purchase.

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

13. What are the objectives of accounting?
14. Pass necessary adjustment entries for the following adjustments.
- (a) Pre paid insurance Rs. 2000
  - (b) Commission received in advance Rs. 1,000
  - (c) Interest charged on drawings Rs. 500
  - (d) To provide provision for doubtful debts at 2% on sundry debtors Rs. 40,000.
15. Prepare Receipts and Payments A/c of a club for the year ended 31st December 2014 from the following particulars:

	Rs.		Rs.
Opening balance of Cash	40,000	Rent paid	1,200
Receipt of entrance fees	8,000	Payment for Purchase of Cricket balls	500
Subscription received for 2014	16,000	Payment for purchase of Cricket bats	1,600
Previous year's subscription received	1,600	Payment for stationery in cash	100
Paid salaries	2,000		
Paid for Miscellaneous expenses	200		

16. Prepare a bank reconciliation statement from the following data as on 31-12-1995.
- |  |        |
|--|--------|
|  | Rs.    |
| (a) Balance as per cash book                     | 12,500 |
| (b) Cheques issued but not presented for payment | 900    |
| (c) Cheques deposited in bank but not collected  | 1,200  |
| (d) Bank paid insurance premium                  | 500    |
| (e) Direct deposit by a customer                 | 800    |
| (f) Interest on investment collected by bank     | 200    |
| (g) Bank charges                                 | 100    |
17. On 1.1.1995 Kumar Ltd. purchased a machine for Rs. 9,000 and spent Rs.1,000 for erection charges. After using the machine for 3 years it was sold for Rs. 8,500. Depreciation is charged at 10% on original cost method. Accounts are closed on 31st December each year. Prepare Machinery Account for 3 years.
18. Enter the following transactions in a Simple Cash Book:

2014		Rs.
Jan.1	Cash in hand	22,400
5	Received from Saravanan	600
7	Paid Rent	60
8	Sold goods	600
10	Paid Prabhu	1,400
27	Purchased furniture	400
31	Paid Salaries	200

19. Prepare Trading Account of Mr.Barathi for the year ending 31.12.2017 from the following information:

	Rs.
Opening Stock	80,000
Purchases	8,60,000
Freight Inward	52,000
Wages	24,000
Sales	14,40,000
Purchase Returns	10,000
Sales Returns	3,16,000
Closing Stock	1,00,000
Import duty	30,000

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

Answer any **TWO** questions

20. Record the following in a Journal:

2018		Rs.
July- 1	Jeeva started business with cash	70,000
5	Draw for personal use	1,700
6	Paid into Bank	20,000
7	Purchased goods form Ravi on credit	14,000
10	Cash sales	3,000
11	Cash purchases	10,000
15	Purchased furniture by cheque	2,000
20	Wages paid	100
25	Paid salaries by cheque	900
28	Rent paid	300

21. From the following balances as at 31st December 2017 of a trader, prepare a Trading and Profit & Loss A/c for the year 2017 and a Balance Sheet as on that date:

	Rs.		Rs.
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000

Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000
Trade expenses	600		
Purchases	25,000		
Advances	2,500		
Bank balance	5,600		
	81,500		81,500

Adjustments:

- (i) The Closing stock amounted to Rs. 9,000.
- (ii) One month's Salary is outstanding.
- (iii) One month's rent has been paid in advance.
- (iv) Provide 5 per cent for doubtful debts.

22. Give journal entries to rectify the following errors:

- (i) A purchase of goods from Deva amounting to Rs. 250 has been wrongly passed through the sales book.
- (ii) A credit sale of goods Rs. 300 to Raja has been wrongly passed through the purchases book.
- (iii) Sold old furniture for Rs. 1,500, passed through the sales book.
- (iv) Paid wages for the construction of Building debited to wages account Rs. 10,000.
- (v) A cheque for Rs. 500 received from Madan was dishonoured and had been posted to the debit of sales returns account.
- (vi) Paid Rs. 1,000 for the installation of Machinery debited to wages account.
- (vii) On 31st Dec. 1996 goods of the value of Rs. 500 were returned by S. Singh and were taken into stock on the same date, but no entry was passed in the books.

23. A company whose accounting year is the calendar year purchased on 1st April 2002 machinery costing Rs.30, 000. It purchased further machinery on 1st October 2002 costing Rs.20, 000 and on 1st July 2003 costing Rs.10, 000. On 1st Jan. 2004 one-third of the machinery installed on 1st April 2002 became obsolete and was sold for Rs.3, 000. Show how the machinery A/c would appear in the books of the company. Machinery is depreciated at 10% p.a. under fixed installment method.