

B.Com.(A&F) DEGREE EXAMINATION, NOVEMBER 2018
I Year I Semester
Core Major- Paper I
FINANCIAL ACCOUNTING

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What is Journal?
2. Write a note on Income and Expenditure account.
3. What is Average due date?
4. Define Depreciation.
5. . State the meaning of Statement of affairs.
6. Prepare a journal for the following transactions:

2013 Jan 1	Introduced capital Rs. 50,000.
Jan. 10	Bought goods for cash Rs. 18,000.
Jan. 12	Sold goods to Rumesb for cash Rs. 70,000.
Jan. 20	Paid Murali his salary Rs. 2,000.

7. Ascertain gross profit from the following figures:

Opening stock	Rs.5,570	Warehouse wages paid	Rs.1,400
Purchases	Rs.13,816	Import charges	Rs.250
Sales	Rs.15,248	Closing stock	Rs.8,880
Purchase returns	Rs.390	Returns inward	Rs.524

8. Prepare a statement showing subscription received in 2016 - 17 as per Receipts and Payments Account.

Subscription income for 2016-17 as per Income and Expenditure Account	Rs. 82,000
Advance subscription received in 2015-16	Rs. 4,000
Subscriptions outstanding at the end of 2016-17	Rs. 9,500
Advance subscriptions received for 2017-18	Rs. 2,000
Subscription written off during 2016-17	Rs. 500
Subscription receivable on 1.4.16	Rs. 5,000

9. The due date for the payment of certain amounts are as follows:

January 1 - Rs. 400 due February 4	May 10 - Rs.700 due June 13
February 4 - Rs. 500 due April 7	May 17 - Rs.1000 due June 20
April 1 - Rs. 800 due May 4	

Suggest a date on which all the bills may be paid without any loss of interest to either party assuming that the year of transactions is a leap year.

10. Cost of Fixed Asset, Rs.6,800; Scrap value Rs.800 Life of the assets, 10 years. Calculate its depreciation per year.
11. From the following particulars, calculate the opening stock.

	Rs.
Purchases made during 1996	2,50,000
Sales made during 1996	3,25,000
Stock on 31.12.1996	60,000
Wages	3,000
Rate of gross profit on cost	25%

12. Find out the missing figure:

Opening stock	Rs.50,000
Closing stock	Rs.70,000
Sales	Rs.5,60,000
Carriage Inward	Rs.10,000
Purchases	?
Gross profit 25% on sales.	

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

Answer any **FIVE** questions

13. Explain various accounting concepts briefly.

14. Distinguish between single entry and double entry system.

15. Enter the following transactions in a Cash Book of MR. Albert

2009		Rs.
August 1	Commenced business with cash	24,000
2	Bought goods for cash	6,000
10	Goods sold for cash	11,200
13	Paid into bank	2,500
14	Sold goods to Gabriel on credit	9,000
15	Bought goods from Murali on credit	13,600
20	Purchased furniture	9,600
21	Purchased stationery	160
23	Received cheque from Gabriel	9,000
25	Paid Murali	13,600
26	Received commission	740
27	Paid telephone charges	300
30	Drawn from Bank	3,800

16. The sundry debtors on 31st Dec.2015 are Rs. 40,000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for Rs.3,000 are doubtful and are estimated to realise 2/3rds of the amount and the debtors for Rs. 1,000 are bad. Make a provision for doubtful debts.

17. A partner has withdrawn the sums of money during the half year ending 30th June, 2012:

	Rs.		Rs.
January 15	500	April 5	800
February 10	400	May 29	1,000

March 12	700	June 18	900
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Interest is to be charged at 10% per annum. Find out the average due date and calculate the interest on drawings.

18. A fire occurred at the premises of a trader on 31.5.2014 destroying a great part of his goods. His stock at 2.01.2014 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.
19. Mohinder, a retail merchant commenced business with a capital of Rs. 12,000 on 1.1.2004. Subsequently on 1.5.2004 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31.12.2004, his assets and liabilities were as follows.

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

Calculate the profit (or) loss made during the year 2004.

Section C (2 × 15 = 30) Marks

Answer any **TWO** questions

20. Enter the following, directly into ledger and prepare a Trial Balance:

2012		Rs.
Sept. 1	Started business with cash	16,000
5	Bought goods for cash	6,000
6	Sold to Chandran	3,000
7	Bought goods from Danush	4,000
8	Sold to Suresh	5,000
10	Paid cash for salary	1,000
12	Received cash for commission	2,000
15	Paid rent	1,500
25	Withdrew cash for personal use	1,800

21. The following are the Balances of Shri Gupta as on 30th June, 2010 :

Debit Balances :	Rs.	Credit Balances:	Rs.
Cash in Hand	540	Sales	98,780
Cash at Bank	2,630	Returns Outwards	500
Purchases	40,675	Capital	62,000
Returns Inward	680	Sundry Creditors	6,300
Wages	8,480		
Fuel & Power	4,730		
Investments	10,000		
Patents	7,500		
Salaries	15,000		

General Expenses	3,000		
Insurance	600		
Drawings	5,245		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Stock (1st July)	5,760		
Buildings	22,000		
Freehold Land	10,000		
Machinery	20,000		
Rent	9,000		
Sundry Debtors	14,500		

Taking into account the following adjustments Prepare the Trading and Profit and Loss Account and Balance Sheet as on 30th 2010 :

- (a) Stock on hand on 30th June, 2010 is Rs.6,800.
 - (b) Machinery is to be depreciated at the rate of 10% and patents at the rate of 20%.
 - (c) Salaries for the month of June, 2010 amounting to Rs.1,500 were unpaid.
 - (d) Insurance includes a premium of Rs. 170 on a policy expiring on 31st December 2010.
 - (e) Bad Debts are Rs.725.
 - (f) Rent received in advance Rs. 1,000.
 - (g) Interest on Investment of Rs. 2,000 is accrued.
22. A company whose accounting year is the calendar year, purchased on 1-01-2013 a machine for Rs. 40,000. It purchased further machinery on 1st Oct. 2013 for Rs. 20,000 and on 1st July 2014 for Rs. 10,000. On 1-07-2015, 1/4th of the machinery installed on 1-01-2013 became obsolete and was sold for Rs. 6,800. 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% p.a.
23. The position of a businessman who keeps his books on Single entry was as under on 31.12.2010 and 31.12.2011.

	2010	2011
Cash in Hand	Rs. 400	Rs. 480
Cash at Bank	Rs. 6,000	Rs. 2,500
Stock	Rs. 6,500	Rs. 5,000
Debtors	Rs. 4,000	Rs. 5,200
Furniture	Rs. 300	Rs. 350
Sundry Creditors	Rs. 4,100	Rs. 3,100

He withdraws Rs. 7,500 from business on 2.1.2011 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 debts is needed.

Find out the profit or loss for the year.