

B.Sc DEGREE EXAMINATION, APRIL 2019
I Year I Semester
Financial Accounting

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. What is matching concept?
2. Write note on money measurement concept?
3. What is journal?
4. What do you mean by Trial Balance
5. Ascertain cost of goods sold from the following:

	Rs		Rs
Opening stock	17,000	Indirect expenses	10,400
Purchases	61,400	Closing stock	18,000
Direct expenses	9,600		

6. What is the adjusting entry for prepaid expenses?
7. What are the causes of depreciation?
8. A company purchased a plant for Rs.50,000. The useful life of the plant is 10 years and the residual value is Rs.10,000. Find out the rate of depreciation under the straight line method.
9. What are the advantages of single entry system?
10. Find out the profit from the following data:

	Rs
Capital at beginning of the year	8,00,000
Drawing during the year	1,80,000
Capital at the end of the year	9,00,000
Capital introduced during the year	50,000
11. What do you mean by provision for bad and doubtful debts?
12. What are the methods of depreciation?

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

Answer any **FIVE** questions

13. Explain the objectives of accounting?

14. Discuss the difference between single entry and double entry system?
15. Record the following transactions completed during the month of march 2017 in the journal:

		Rs.
March 1	Paid rent for the month	
2	Paid cash for office stationary	
8	Purchased office equipment	
12	Paid advertising expenses	
15	Received cash from kumar on account	
18	Paid Maran on account	
25	Withdraw cash for personal use	
29	Paid telephone bill	

16. A company purchased a second hand plant for Rs.30,000. It immediately spent on it Rs.5,000. The plant was put to use on 1.1.2010. After having used it for six years, it was sold for Rs.15,000. You are required to prepare the plant a/c for six years, providing depreciation at 10% on original cost.
17. Suresh started business with Rs.25,000 as capital on 1.1.14. During the year he has withdrawn at the rate of Rs.600 per month. He has sold his wife's jewel for Rs.4,000 and introduced the same as additional capital to the business. His position on 31.12.14 was as follows:

Bank Balance	2,000	Cash in hand	500
Stock	20,000	Sundry creditors	6,000
Debtors	12,100	Expenses outstanding	400
Furniture	500		

He keeps his books under single entry method. Determine his profit or loss for the year.

18. Prepare trial Balance from the following ledger balances for the year ending 31.12.2015

Capital	50,000	Wages	10,000	Provision for bad debts	525
Sales	1,77,000	Advertisement	2,000	Plant and Machinery	80,000
Returns outwards	750	Purchases	80,000	Return inwards	1,000
Stock (1.1.15)	30,000	Rent and taxes	10,000	Discount (Dr)	350
Discount (cr)	800	Cash in hand	900	Carriage inwards	750
Debtors	45,000	Cash at bank	6,500	Carriage outwards	1,200
Salaries	6,800	Bank charges	75	Creditors	25,000

19. The provision for Bad and doubtful debts accounts shows a balance of Rs.2,000 on 1st January 2014. The Bad debts during the year 2014 amount to Rs.1,600. The sundry debtors on 31st December 2014 are Rs.32,000. Create a new pro-

vision for bad debts @5%. Show the journal, Profit and loss a/c and Balance sheet.

Section C ($3 \times 10 = 30$) Marks

Answer any **THREE** questions

20. Explain the Accounting conventions?
 21. From the following transactions in a two column cash book of Ajith:

2015 March	Rs
1 Mr.Ajith started business with cash	13,000
2 Bought goods for cash	1,370
3 Paid mohan cash	190
Discount allowed by him	10
5 Deposited in Bank	8,000
Paid for office furniture in cash	930
10 Sold goods for cash	6,000
13 Paid wages in cash	240
14 Paid for stationary	80
16 Sold goods for cash	5,000
18 Paid for Miscellaneous expenses	90
20 Received cash from Jamuna	970
Allowed her discount	30
22 Purchased a radio set	500
23 Paid electricity bill	70
25 Paid for advertising	80
26 Paid into bank	5,000
30 Paid rent	180
31 paid salary	800

22. From the following Trial Balance of Mr.Ravi, Prepare Trading, Profit and Loss a/c for the year ended December 31st 2013 and Balance sheet as on that data:

Particulars	Debit	Credit
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	

Cash	2,000	
Stock on 1.1.13	5,200	
Debtors	2,500	
Creditors		1,000
	66,000	66,000

Adjustments required:

- (a) Stock on 31.12.2013 - Rs.4,900
- (b) Salaries outstanding - Rs. 300
- (c) Rent paid in advance - Rs. 200
- (d) Insurance prepaid -Rs. 90

23. On 1st January 2012, a company purchased machinery for Rs.12,000 and on 30th June, 2013, it acquired additional machinery at a cost of Rs.2,000. On 31st March, 2014, one of the original machines which had cost Rs.500 was found to have become obsolete and was sold for Rs.50. It was replaced on that date by a new machine costing Rs.800. Depreciation to be provided at the rate of 15% per annum on the written down value. Show the Machinery account for the first three years.
24. Ramesh keeps his books on single entry basis. Prepare a statement of affairs as on 31.10.2012 and a statement of profit (or) loss for the period ending 31.10.2012.

Assets & Liabilities	1.11.2011	31.10.2012
Bank Balance	560	350
Cash on hand	10	50
Debtors	4,500	3,600
Stock	2,700	2,900
Plant	4,000	4,000
Furniture	1,000	1,000

Ramesh has withdrawn Rs.2,000 during the year and had introduced fresh capital of Rs.4,200 on 1.7.2012. A provision of 5% on debtors is necessary. Write off depreciation on plant at 10% and furniture at 15%. Interest on capital is to be allowed at 5%.