

B.C.A. DEGREE EXAMINATION, APRIL 2019
II Year III Semester
Financial Accounting

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define accounting.
2. What is business entity concept?
3. What is journal?
4. What is trial balance?
5. What is prepaid expenses?
6. What are adjusting entries?
7. Define depreciation.
8. What are the factors affecting depreciation?
9. Write a short note on "foreign branches"
10. What is a dependent branches?
11. Give journal entries for the following transactions:

	Rs.
Credit sales to Ram	5,000
Furniture purchased for	3,000
Interest received	800.

12. From the following balances prepare Trial Balance on 31. 3. 2003

Cash in hand Rs. 4,800, Capital Rs. 4,88,000, Purchase Rs. 5,44,000, Opening stock Rs. 1,40,000, Debtors Rs. 2,80,000, Creditors Rs. 1,76,000, Machinery Rs. 3,00,000, Sales Rs. 8,00,800, Salaries Rs. 1,96,000.

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

Answer any **FIVE** questions

13. What are the objectives of Accounting?
14. Journalise the following the transactions

		Rs.
March 1	Raman started his business with cash	10,000
March 3	Bought goods for cash	1,500
March 7	Sold goods to Krishna	800
March 8	Received from Krishna	500
March 10	wages paid	700

15. Prepare Profit and loss account

	Rs.
Gross profit	50,000
Rent	10,000
Depreciation	8,000
Discount allowed	12,000
Advertisement	4,000
Audit fees	1,000
Interest received	2,000
Discount received	3,000
Carriage outwards	2,500
Insurance	3,500
General expenses	3,000

16. On 1st April 2001, kumar purchased a secondhand machine for Rs. 80,000 and spent Rs. 20,000 on its cartage , repairs and installation. The residual value at the end of its expected useful life of 4 years is estimated at Rs. 40,000. On 30th September 2003 this machine is sold for Rs. 50,000. Depreciation is to be provided according to straight line method. Prepare machinery account.

17. From the following particulars prepare a branch account showing the profit or loss at the branch

	Rs.
Opening stock at the branch	15,000
Good sent to the branch	45,000
Sales	60,000
Salaries	5,000
Other expenses	2,000

Closing stock could not be ascertained but its is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the profit of the branch before charging such commission.

18. A company purchased a plant for Rs. 1,00,000. The useful life of the plant is 5 years and the residual value is Rs. 10,000. Find out the rate of depreciation under straight line method.

19. Prepare trading account and find out gross profit from the following:

Opening stock Rs. 40,000, Purchase Rs. 2,00,000 Closing stock Rs. 65,000, Sales Rs. 1,50,000 Wages Rs., 18,000, Advertisement Rs. 7,000

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

Answer any **THREE** questions

20. Explain in detail the different Accounting Concepts.

21. Post the following transactions to ledger accounts for the month of may 2003.

1 Ram commenced business with cash Rs. 6,000 goods Rs. 3,000 and building Rs. 8,000

5 Sold goods for cash Rs. 700

7 Sold goods to Mani Rs. 640

10 Cash purchase Rs. 2,000

22. The following is the balance as on 31" Dec.2012 of Sri Rajan. Prepare trading and profit and loss account for the year 2008 and a balance sheet as on that date.

Debit	Rs.	Credit	Rs.
Land and Buildings	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return Outwards	500
Opening stock	5,760	Sundry Creditors	6,300
Sundry Debtors	14,500	Bills payable	9,000
Purchase	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return In wards	680		
Wages	8,480		
Fuel & power	4,730		
Carriage on Sales	3,200		
Carriage on Purchase	2,040		
Salaries	15,000		
General Expenses	3,000		
Insurance	600		
Drawings	5,245		
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	1,76,580		1,76,580
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Adjustments:

1. Closing Stock Rs. 6,800

2. Salary outstanding Rs. 1,500

3. Insurance Prepaid Rs. 150

4. Depreciation Machinery @10% and Patents @ 20%

5. Create a provision of 2% on debtors for bad debts

23. A Second hand machinery was purchased on 1.1.90 for Rs. 30,000 and repairs charges amounted to Rs. 6,000. It was installed at a cost of Rs. 4,000. On

1st July 1991, another machine was purchased for Rs. 26,000. On 1st July 1992 the first machine was sold for Rs. 30,000. On the same date, one more machine was bought for Rs. 25,000. On 31.12.1992, the machine bought on 1st July 1991 was sold for Rs. 23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum on straight line basis. Prepare the machinery Account for three years ending 31.12.1992.

24. A head of office goods to its branch at 20% less than the list price. Goods are sold to customers at cost plus 100%. From the following particulars ascertain the profit made at the head office and the branch on wholesale basis.

	Head office	Branch
	Rs	Rs
Purchase	2,00,000	—
Goods sent to branch (invoice price)	80,000	—
sales	1,70,000	80,000