

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

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What is Business Entity Concept?
2. What is Straight line method?
3. What is accounting standard?
4. What is a final account?
5. What is Average clause?
6. What is single entry system?
7. What is average due date?
8. What is consignment account?
9. What is Ex-interest?
10. Prepare trading account of a trader for the year ending 31st December, 1996 from the following data:

Opening stock (1-1-1996)	50,000
Goods purchased during 1996	2,80,000
Freight and packing on the above	20,000
Closing stock (31-12-1996)	60,000
Sales	3,80,000
Packing expenses on sales for distribution	12,000
11. On 1-1-1994 X Ltd., had a stock of bottles valued at Rs. 16,000. On 1-7-1994 they purchased additional bottles which amounted to Rs. 10,000. On 31-12-1994 the entire stock of bottles were revalued at Rs. 21,000. Show the bottles account for the year 1994.
12. Calculate the stock at the end:

	Rs.
Stock in the beginning	5,000
Cash sales	15,000
Credit sales	10,000
Purchases	17,500
Rate of gross profit on cost	$\frac{1}{3}$

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

13. What are the differences between Receipts and payments account and income and expenditure account?
14. What are the causes of depreciation?
15. A fire occurred in the premises of a trader on 31.5.94 destroying a great part of his goods. His stock at 1.1.94 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
16. Prepare trading account of a trader for the year ending 31st December, 1996 from the following data:

Opening stock (1-1-1996)	50,000
Goods purchased during 1996	2,80,000
Freight and packing on the above	20,000
Closing stock (31-12-1996)	60,000
Sales	3,80,000
Packing expenses on sales for distribution	12,000

17. An asset is purchased for Rs. 25,000. Depreciation is to be provided annually according to the straight-line method. The useful life of the asset is 10 years and the residual value is Rs. 5,000. You are required to find out the rate of depreciation and prepare the Asset account for the first three years.
18. Rohit, a retail merchant commenced business with a capital of Rs. 12,000 on 1-1-1994. Subsequently on 1-5-1994 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31-12-1994, his assets and liabilities were as follows:

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

Calculate the profit or loss made during the year 1994.

19. Ramesh purchased goods from Ravi on different dates. The date of each purchase and its due date is given below:

	Rs.	
7-1-1993	1,016	due on 12-2-1993
20-1-1993	366	due on 23-3-1993

16-3-1993 136 due on 19-5-1993
 19-4-1993 828 due on 22-5-1993

Ascertain average due date.

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 and Loss account and Balance Sheet taking into account the adjustments:

Debit balances	Rs.	Credit balances	Rs.
Land & Buildings	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		
Carriage on purchases	2,040		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		1,76,580

Adjustments:

1. Stock on 31-3-1995 was Rs. 6,800
 2. Salary outstanding Rs. 1,500
 3. Insurance prepaid Rs. 150
 4. Depreciate machinery @10% and patents @20%.
 5. Create provision on 2% on debtors for bad debts.
21. A company whose accounting year is the calendar year purchased on 1-4-76 a machine for Rs. 30,000. It purchased further machinery on 1-10-1976 for Rs. 20,000 and on 1st July, 1997 for Rs. 10,000. On 1-1-78, 1/3rd of the machinery

installed on 1st April 1976 became obsolete and was sold for Rs. 3,000. Show how the machinery account would appear in the books of the company, it being given that machinery was depreciated by the written down value method at 10% p.a.

22. Mr. Jaya keeps his records under single entry system . From the following, prepare Trading and P&L A/c and Balance Sheet as on 31.3.1999.

	Rs.
Interest charges	200
Drawings	4,000
Staff Salaries	17,000
Other business expenses	15,800
Payment to creditors	30,000
Cash sales	30,000
Receipts from debtors	50,000
Balance at Bank as on 31.3.99	4,850
Cash in hand as on 31.3.99	150

Further details available are:

	As on(1.4.98)	As on(31.3.99)
	Rs.	Rs.
Stock on hand	18,000	20,440
Creditors	16,000	11,000
Debtors	44,000	60,000
Furniture	2,000	2,000
Office premises	30,000	30,000

Provide 5% interest on Jaya's Capital balance as on 1.4.98. Provide Rs.3,000 for doubtful debts, 5% depreciation on all fixed assets.

23. A fire occurred in the premises of X Ltd. on 10.10.91. All stocks were destroyed except to the extent of Rs. 6,200. From the following figures, ascertain the loss of stock suffered by the company:

	Rs.
Stock on 1.1.90	40,000
Purchases during 1990	1,45,000
Sales during 1990	2,00,000
Stock on 31.12.90	25,000
Purchases during 1991 upto the date of fire	1,52,200
Sales during 1991 upto date of fire	1,89,000