

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

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define Accounting.
2. Pass journal entries for the following transactions:-
 - a) Goods used personally by proprietor for Rs.5, 000
 - b) Commenced business with a capital of Rs.50, 000
3. Calculate gross profit and cost of goods sold from the following information:
Net Sales Rs.2,00,000
Gross Profit is 25% on cost
4. Rectify the following errors:
 - (a) Purchase Book is over cast by Rs.300 (for the month of March)
 - (b) Sales book has been under cast by Rs.200.
5. From the information given below prepare Bank Reconciliation statement:

	Rs.
(a) Credit balance (Over draft) as per Cash book as on 31-1-96.	7,100
(b) Cheque drawn but not presented for payment	2,300
(c) Interest on overdraft not recorded in the Cash book	150
6. 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.
7. Goods of Rs.80,000 of M/s Raju & Sons are insured for Rs.70,000 subject to average clause. Loss due to fire is assured at Rs. 16,000. Calculate what claim the insured will get from the insurers.
8. Calculate sales:
Cost of goods sold Rs. 2, 70, 000
Rate of profit 25% on sales.
9. The drawings of a proprietor for the year 2002 are Rs. 30,000. Profit for the year Rs. 50,000 and capital at the end of Rs. 1,40,000. Calculate the capital at the beginning.

10. Sales Rs. 1,60,000; Rate of Gross Profit is 25% on sales; Purchases Rs.1,40,000; and the closing stock Rs.30,000. Find out the opening stock.
11. What is Book – Keeping?
12. What is Journal?

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

Answer any **FIVE** questions

13. Explain briefly the basic accounting Concepts.
14. The sundry debtors on 31st Dec'95 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 $\frac{2}{3}$ of the amount and the debtors for Rs. 1,000 are bad. Make a provision for doubtful debts.
Show the Journal, Profit & Loss A/c and Balance Sheet.
15. Correct the following error found in the book of Mr. Dhandapani. The Trial Balance was out by Rs. 986, excess credit. The difference has been posted to a suspense account.
 - (i) A sales of Rs. 400 to Bobby & Co., was wrongly credited to their account.
 - (ii) A purchase of Rs. 134 had been posted to the creditor's account as Rs.120.
 - (iii) The total of returns inward book for December had been cast Rs.200 short.
 - (iv) A cheque for Rs. 400 received from Sandhya had been dishonoured and was posted to the debit of "Allowance Account"
16. 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.500.
You are required to find out the rate of depreciation and prepare asset account for the first three years.
17. On 1st April'2001, a trader took out a fire policy containing an average clause covering his stock for Rs. 15,00,000. His practice was to place his selling price at cost plus $33\frac{1}{3}\%$. He closes his books on 31st March, every year.
On 31st December, 2001, a fire broke out at the premises and destroyed his stock. The value of salvaged stock was Rs.6,00,000. During the period of months preceding the fire, his purchases amounted to Rs. 61,00,000 and sales to Rs.84,00,000. His stock on 1st April, 2001 was valued at Rs.20,00,000.
Prepare a statement showing the amount of claim.

18. Mohan, a retail merchant commenced business with a capital of Rs.12,000 on 1.1.94. Subsequently on 1.5.94 he invested further capital of Rs.5,000. During the year, he has withdrawn Rs.2,000 for his personal use. On 31.12.94, 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. The bank overdraft of Rajini on 31-12-93 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement:

	Rs.
(i) Unpresented cheque	3,000
(ii) Uncleared cheque	1,700
(iii) Bank interest debited in the pass book only	500
(iv) Bill collected and credited in the pass book only	800
(v) Cheque of Renu dishonoured	500
(vi) Cheques issued to Sekar entered in the cash Column of cash book	300

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

Answer any **TWO** questions

20. Distinguish between Single entry and double entry System.
21. During the month of April 2003 the Cash book of a business shows an opening debit balance of Rs.27,000 in its bank column.

During the month the total deposits in the bank amounted to Rs.56,000 and the total cheques written for payments amounted to Rs.58,000. There was a standing order to the Bank to make a payment of Rs. 20,000 which appears in the Bank statement and not recorded in Cash Book.

The Cash book includes Rs.6,000 of cheques written and Rs. 14,900 of deposits which are not yet appearing on the Bank Statement. The balance on the Bank statement was Rs. 3,900 (Dr) at the end of April 2003.

You are required to show the cash book entries and prepare a Bank Reconciliation Statement.

22. The following are the ledger balances extracted from the books of Weifa.

	Rs.		Rs.
Weifa's Capital	50,000	Sales	3,01,000
Bank Overdraft	8,400	Return inwards	5,000
Furniture	5,200	Discount (Cr.)	800
Business Premises	40,000	Taxes & Insurance	4,000
Creditors	26,600	General Expenses	8,000
Opening Stock	44,000	Salaries	18,000
Debtors	36,000	Commission allowed	4,400
Rent from tenants	2,000	Carriage on purchases	3,600
Purchases	2,20,000	Provision for Doubtful debts	1,000
		Bad debts written off	1,600

Adjustments:-

- (i) Stock on hand on 31-12-1995 was estimated as Rs.40,120.
- (ii) Write off depreciation on business premises Rs.600 and furniture Rs.520.
- (iii) Make a provision of 5% on debtors for bad & doubtful debts.
- (iv) Allow interest on Capital at 5% and carry forward Rs. 1,400 for unexpired insurance.

Prepare Final Accounts for the year ended 31-12-1995.

23. George Co. Ltd. purchased a machine on 1st January 1995 for Rs.50,000. On 1st July'1995 further machinery was purchased for Rs.25,000. On 1st July 1996, the machinery purchased on 1st January 1995 having become obsolete, was sold off for Rs.20,000. Depreciation has to be charged at 20% on the original cost assuming that the account are closed every year on 31st December. You are required to prepare:
- (a) Machinery A/c
 - (b) Provision for Depreciation A/c.