

**B.A. DEGREE EXAMINATION, NOVEMBER 2019**  
**II Year III Semester**  
**Basic Financial Accounting**

**Time : 3 Hours**

**Max.marks :75**

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

Answer any **TEN** questions

1. What is book-keeping?
2. What is Narration?
3. What is cost concept?
4. What is accounting equation?
5. How will you show the following?  
 Old provision for doubtful debts (trial balance) Rs.3,500  
 New provision for D.D (adjustments) Rs.3,000
6. Write note on – 'Patents'
7. What is amortisation?
8. Explain – scrap value
9. Define Single Entry.
10. Find out Profit or loss from the following information.  
 Opening capital Rs.2,00,000; Drawings Rs.45,000; Closing stock Rs.2,50,000;  
 Additional capital during the year Rs.15,000.
11. State the meaning of accounting?
12. What do you understand by fictitious assets?

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

Answer any **FIVE** questions

13. What is double entry system? What are its advantages?
14. From the following information, prepare a trial balance.

Particulars	Rs.	Particulars	Rs.
Purchases	395500	Furniture	120000
Sales	2105400	Creditors	50000
Debtors	99400	Kitchen equipment	60000
Stock of provision	40500	Plate and china	48300
Rent and rates	60000	Cash at bank	196700
Wages and salaries	261500	Cash in hand	22900
Light and heat	30500	Leasehold premises	800000
Repairs and renewals	20100		

15. The sundry debtors on 31st December 2015 amount to 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 two-thirds of the amount and the debtors for Rs.1,000 are bad. Make a provision for doubtful debts.
16. From the following particulars, calculate the amount of depreciation and prepare machinery account for three years, under Original cost method.

Machinery purchased on 1.1.2016 Rs. 1,44,000

Freight charges Rs.4,000

Installation charges Rs.8,000

Life time of the machine – 5

Accounting year = Calendar year

17. Prepare Bills Receivable and Bills Payable account from the following data.

Particulars	Rs.
Opening Bills Receivable	32,000
Opening Bills Payable	96,000
Bills Receivable dishonoured	26,000
Bills Payable dishonoured	1,55,000
Closing Bills Payable	1,26,000
Bills collected during the year	46,000
Closing Bills Receivable	30,000

18. Explain the different types of accounts with suitable examples.
19. Prepare a bank reconciliation statement from the following date on 31.12.2018.
- Balance as per cash book Rs. 12,500
  - Cheques issued but not presented for payment Rs. 900
  - Cheques deposited in bank but not collected Rs. 1,200
  - bank paid insurance premium Rs. 500
  - Direct deposit by a customer Rs. 800
  - Interest on investment collected by bank Rs. 200
  - Bank charges Rs.100

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

Answer any **THREE** questions

20. How are accounting concepts classified?
21. Record the following transactions and post them to ledger.

- i. Commenced business with Rs. 10,000
- ii. Sold goods to Mr. A for Rs. 1000
- iii. Received cash from Mr. A for Rs. 900 in full settlement
- iv. Purchased goods from Mr. B for Rs. 3000
- v. Paid to Mr. Bin full in cash Rs, 2900
- vi. Paid salary Rs.600
- vii. Purchased a plant for Rs. 2000
- viii. Sold goods for cash Rs. 2600
- ix. Received interest Rs. 100
- x. Remitted cash into bank Rs. 2000
- xi. Disbursed wages Rs. 200
- xii. Withdrew cash from bank for own use Rs. 400

22. From the following trial balance of Aaushika shri as on 31.12.2017. Prepare final accounts as on the above date:

Particulars	Dr.(Rs.)	Cr.(Rs.)
Capital account		120000
Drawings	15000	
Bills receivable	22000	
Machinery	20000	
Debtors and creditors	60000	58000
Wages	39000	
Purchase and sales	252000	355000
Commission		5500
Rent and taxes	6000	
Stock on 1-1-2017	90000	
Salaries	10500	
Travelling expenses	2000	
Insurance	600	
Repairs	3400	
Bad debts	3500	
Furniture	9000	
Returns	5000	2000
Cash in hand and bank	2500	
	5,40,500	5,40,500

Adjustments:

1. Stock on hand 31-12-2017 was Rs. 1,00,000
2. Create 5% provision on debtors for doubtful debts.
3. Prepaid insurance amounted to Rs. 100
4. Wages outstanding was Rs. 1000
5. Depreciate machinery by 5% and Furniture by 10% p.a.

23. Parvathi Ltd. Company purchased a truck for Rs. 4,50,000 on 1.4.2015. The

truck was depreciated at 10% per annum on written down value method. The accounting year ends on 31st March every year. Prepare truck account and depreciation on truck account for five years, ending 31.3.2018.

24. Ms. Sowmiya keeps her books by single entry system. Her position on 1.4.2018 to 31.3.2019 was as follows:

Particulars	1.4.2018(Rs.)	31.3.2019(Rs.)
Cash	1,000	12,000
Bank balance	20,000	30,000
Stock	14,000	20,000
Sundry debtors	60,000	80,000
Furniture	12,000	12,000
Sundry creditors	12,000	24,000

She introduced an additional capital of Rs. 16,000 during the financial year. She withdrew Rs.28,000 for domestic purpose. Find out the profit for the year ended 31.3.2019.