

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 Convention of Consistency?
2. Write down the rules for making entries under double entry system.
3. Give journal entries for the following transactions?
 - (i) Purchase of furniture from Mr. Z for Rs.15,000.
 - (ii) Paid office rent by cheque, Rs. 10,000.
4. Explain 'Bank Reconciliation Statement'
5. What is Opening Stock?
6. Narrate the meaning of the term 'Bad Debts'.
7. Explain any three causes for depreciation.
8. Write a note on Written down value method of depreciation?
9. Explain any three features of Single Entry System of Accounting.
10. Narrate the meaning of Conversion Method of Single Entry System of Accounting.
11. What is Suspense Account?
12. A Company purchased a plant for Rs.1 Lakh. The useful life of the plant is 10 years and the residual value is Rs.20,000. Find out the rate of depreciation under the straight line method.

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

Answer any **FIVE** questions

13. Journalize the following transactions:
 - i. Purchased Machinery on credit from Mr. X for Rs.50,000
 - ii. Sold goods to Mr. Y for Rs.10,000
 - iii. Goods returned by Mr. Y for Rs.500
 - iv. Cash withdrawn from bank for personal use, Rs.7,500
 - v. Paid repairs to Machinery, Rs.500
14. Describe the various methods of preparation of Bank Reconciliation Statement.

15. Prepare Trading A/c of Mr. P for the year ending 31st December 2016 from the following information:

Particulars	Amount / Rs.
Opening Stock	80,000
Purchases	860,000
Freight Inward	52,000
Wages	24,000
Sales	14,40,000
Purchase Returns	10,000
Sales Returns	316,000
Closing Stock	100,000
Import Duty	30,000

16. A company acquired a machine on 1.1.2015 at a cost of Rs.40,000 and spent Rs.1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31st December of each year. Show the machinery account for 3 years.
17. Mr. X, retail merchant commenced business with a capital of Rs.12,000 on 1.1.2015. Subsequently on 1.5.2015, he invested a further capital of Rs.5,000. During the year, he has withdrawn Rs.2,000 for his personal use. On 31.12.2015, his assets and liabilities are as follows:

Particulars	Amount / 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 2015.

18. Explain the various Accounting Conventions.
19. The provision for Bad & Doubtful Debts shows a balance of Rs.1,600 on 1st January 2015. The bad debts during the year 2015 amounted to Rs.600. The sundry debtors on 31st December 2015 are Rs.16,000. Create a provision of 5% for bad & doubtful debts. Make necessary journal entries and show the Profit & Loss A/c for the year 2015.

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

Answer any **THREE** questions

20. Explain the various Accounting Concepts in detail.

21. A machinery was purchased on 01st July 2015 at a cost of Rs.14,000 and Rs.1,000 was spent on installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December every year. The machine was sold for Rs.9,500 on 31st March 2018. Show the machinery account for all the years.
22. From the following adjusted Trial Balance, prepared after Trading and Profit & Loss a/c are drafted, prepare Balance sheet of Mr. Y as on 31st December 2016:

Particulars	Amount / Dr.	Amount / Cr.
Capital	–	100,000
Closing stock	40,000	–
Fixed assets less depreciation Rs.16,000	72,000	–
Sundry Debtors	100,000	–
Provision for bad debts	–	5,000
Profit and Loss A/c	–	42,000
Sundry Creditors	–	80,000
Liabilities for expenses	–	11,000
Drawings	6,000	–
Cash at bank	20,000	–
Total	238,000	238,000

23. The bank overdraft of X on 31.12.2015 as per cash book is Rs.9,000/- From the following particulars, prepare Bank Reconciliation Statement:

S.No.	Particulars	Amount/Rs.
1.	Unpresented Cheque	3,000
2.	Uncleared Cheque	1,700
3.	Bank Interest debited in the pass book only	500
4.	Bill Collected and credited in the pass book only	800
5.	Cheque of Y dishonored	500
6.	Cheques issued to Z entered in the Cash column of Cash book	300

24. From the following information, find out the net credit sales for the year:

Particulars	Amount/Rs.
Opening balance of sundry debtors[Dr.]	20,000
Cheque collection during the year	180,000
Cash collection during the year	25,000
Bills receivable received during the year	5,000
Closing balance of sundry debtors [Dr.]	24,000
Bad debts written off	2,500
Discount allowed	1,000
Goods returned by customers	2,500
Cheque dishonoured	500