

B.C.A DEGREE EXAMINATION, APRIL 2020
II Year III Semester
Financial Accounting

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Define Accounting.
2. Write a short note on business entity concept.
3. Give the meaning of ledger.
4. What is written down value method?
5. What is an Imprest system of petty cash?
6. Journalise the following:

Commenced business with a capital of	Rs.60,000
Salary paid by cheque	Rs.5,000
Goods taken by the proprietor	Rs.12,000
Withdrew cash from bank	Rs.14,000
7. Ascertain cost of goods sold from the following:

Opening stock	Rs.17,000	Indirect expenses	Rs.10,400
Purchases	Rs.61,400	Closing stock	Rs.18,000
Direct expenses	Rs.9,600		
8. Debtors Rs.50,000
 Adjustments: Bad debts written off Rs.1000
 Provision for doubtful debts @ 5% on debtors.
 Provision for discount on debtors @ 2%
 Find out the net debtors to be shown in balance sheet.
9. A machine was purchased for Rs. 30,000 on 1.1.86. This is expected to last for 5 years. Estimated scrap at the end of five years is Rs.5,000. Find out the rate of depreciation under the straight-line method.
10. Calculate loss on sale of machinery under straight-line method from the following information:

Original cost of machinery on 1-1-2001	Rs. 80,000
Rate of depreciation	– 5%
Date of Machinery Sale	: 1-7-2001
Sale value of Machinery	: Rs.50,000

11. Pass journal entries in the books of Head office under debtors system for the following transactions:
- Goods sent to branch at cost Rs. 45,000
 - Remittance received from branch Rs.61,000
 - Profit earned by the branch Rs.7,000
12. From the following particulars, Calculate closing branch debtors balance:
- | | |
|----------------------------|------------|
| Branch Debtors (1-1-2008) | Rs. 6,300 |
| Credit sales | Rs. 39,000 |
| Cash received from debtors | Rs. 41,200 |

Section B (5 × 5 = 25) Marks

Answer any **FIVE** questions

13. Write short notes on
a) Cost Concept b) Accounting period concept
14. Briefly explain the Debtor system in Branch A/cs
15. Journalise the following transactions of Mr.Rahim.
- | | | |
|-------------|-------------------------------------|----------|
| 2012 July 1 | Rahim commenced business with cash | 1,60,000 |
| | Goods worth Rs.80,000 and furniture | 30,000 |
| 2 | Opened current A/c with Indian Bank | 40,000 |
| 3 | Bought of Santhanam | 20,000 |
| 4 | Sales to Radha | 16,000 |
| 7 | Received cheque from Radha | 14,000 |
| 8 | Typewriter purchased | 12,000 |
| 9 | Goods returned by Radha | 600 |
| 12 | Drew cheque for personal use | 3,000 |
16. Record the following transactions in the personal account of Mr.Dhoni
- | | | |
|-------------|--|--------------|
| 2000 Apr. 1 | Sold goods to Kapil | 6,000 |
| 5 | Cash received from Kapil
and allowed him discount | 5,800
200 |
| 18 | Kapil purchased goods | 8,000 |
| 30 | Received cash from Kapil on account | 4,500 |
| May 1 | Balance from last month b/d | 3,500 |
| 12 | Sold goods to kapil | 12,000 |
| 22 | Received cash from kapil
And allowed him discount | 4,850
150 |
| 31 | Received cash in full settlement of Kapil's A/c | 10,250 |
17. Prepare trading & profit and loss account from the information given below.
- | | | | |
|---------------|-------|---------------|-----|
| Opening stock | 3,600 | Rent(Factory) | 400 |
|---------------|-------|---------------|-----|

Purchases	18,260	Rent(Office)	500
Wages	3,620	Sales Returns	700
Closing stock	4,420	Purchase Returns	900
Sales	32,000	General Expenses	900
Carriage on purchases	500	Discount to customers	360
Carriage on sales	400	Interest from bank	200

18. A company purchased a second hand plant for Rs. 8,000 on 1st April 1990. He immediately spent on its installation Rs. 3,500. Depreciation is written off @ 10% p.a on the original cost. On 30th June 1993, the machine was found to be unsuitable and sold for Rs.6500. Prepare the Machine account from 1990 to 1993 assuming that the accounts are closed on 31st December each year.
19. Galaxy Ltd. opened a branch on 1st January, 1998 in Mumbai. The figures given below are for the year 2008:

	Rs.
Goods sent to Branch	25,000
Sales: Cash	10,000
Credit	18,000
Cash received from debtors	16,000
Discount allowed to them	300
Cash sent to Branch for expenses	3,500
Stock on 31st December 2008	4,000

Give journal entries and prepare Branch Account.

Section C (3 × 10 = 30) Marks

Answer any **THREE** questions

20. What are the parties interested in accounting information?
21. Prepare Trial Balance from the following ledger balances for the year ending 31/12/99.

Capital	50,000	Plant & Machinery	80,000
Sales	1,77,000	Purchases	60,000
Returns outward	750	Return inwards	1,000
Stock(1.1.99)	30,000	Discount(Dr.)	350
Discount(cr.)	800	Bank Charges	75
Debtors	45,000	Creditors	25,000
Salaries	6,800	Carriage inwards	750
Wages	10,000	Carriage outwards	1,200
Bad debts provision	1025	Rent & taxes	10,000
Advertisement	2,000	Cash in hand	900
Cash at bank	6,500		

22. From the following trial balance of Ravi, Prepare Trading & Profit and Loss account for the year ended December 31st 2003.

Particulars	Debit(Rs.)	Credit(Rs.)
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	
Cash	2,000	
Stock 1-1-2003	5,200	
Debtors	2,500	
Creditors		1,000
	66,000	66,000

- Adjustment required: a) Stock on 31-12-2003 Rs. 4,900
 b) Salaries unpaid Rs. 300
 c) Rent paid in advance Rs. 200
 d) Insurance prepaid Rs. 90

23. Machinery was purchased on 1-1-2006 for Rs.40,000. On 30th June, another second hand machine was purchased for Rs. 15,000 and Rs.5,000 spent for repairs. On 30th June 2007 the second machine was sold for Rs. 15,000. Prepare machinery account after allowing depreciation of 10% p.a. on the written down value.
24. From the following particulars relating to Madurai Branch, Prepare Branch Account in the books of Head Office for the year ended 31-12-2004.

Stock 1-1-2004	30,000
Debtors 1-1-2004	12,000
Petty cash 1-1-2004	200
Goods sent to branch	50,000
Goods returned to H.O	600
Sales at branch cash	30,000
Credit Sales	42,000
Sales return at branch	300
Bad debts written off	300
Branch expenses paid by H.O	3,000
Petty cash sent to branch	500
Petty cash 31-12-2004	300
Stock 31-12-2004	12,500