

B.Com(PA) DEGREE EXAMINATION, NOVEMBER 2019
I Year I Semester
Financial Accounting

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define accounting.
2. Write a note on convention of full disclosure.
3. Explain 'Errors of commission'.
4. Pass necessary adjusting entries in Mr. X's journal:
(a) Rs.20,000 for wages were outstanding.
(b) Write of depreciation on machinery Rs.50,000.
5. What is consignment?
6. Write a note on Co-Venturers.
7. What is meant by Royalty?
8. Explain the meaning of red ink interest?
9. Define cost.
10. Explain annuity method.
11. Find out the rate of depreciation from the following information:
Plant- Rs.50,000; Amount of depreciation- Rs.4,000; Life of plant- 10 years.
12. What is meant by suspense account.

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

Answer any **FIVE** questions

13. Journalise the following transactions:

	Rs.
Business started with Rs.3,00,000 and cash deposited with bank	2,00,000
Goods sold to Ravi	25,000
Cash withdrawn from bank	50,000
Paid salaries	15,000

14. The bank overdraft of X on 31.12.2017 as per cash book is Rs.90,000. From the following particulars, Prepare bank reconciliation statement:

Particulars	Rs.
(a) Unpresented cheque	30,000
(b) Uncleared cheque	17,000
(c) Bank interest debited in the passbook only	5,000
(d) Cheque of Venu dishonoured	5,000
(e) Cheque omitted from bank column	3,000

15. On 31.03.2016 goods sold at sales price of Rs.3,000 were lying with customer Karthik to whom they were sold on 'Sale or return' basis and recorded as actual sales. Since no consent has been received from the customer, you are required to pass adjustment entries presuming goods were sent on approval at a profit of cost plus 20%. Present market price 10% less than the cost price.
16. Kannan purchased goods from Ram, the due dates for payment in cash being as follows :

	Rs.	
March 15	2,000	Due 18th April
April 21	3,000	Due 24th May
April 27	1,000	Due 30th June
May 15	1,200	Due 18th July

Raman agreed to draw a bill for the total amount due on the average due date, Ascertain the date.

17. A firm purchases a 5 years' lease for Rs.80,000 on 1st January. It decides to write off depreciation on the Annuity method, presuming the rate of interest to be 5% per annum. The annuity tables shows that a sum of Rs.18,478 should be written off every year. Show the lease account for five years. Calculations are to be made to the nearest rupee.
18. Difference between Bill of exchange and promissory note.
19. Correct the following errors found in the books of Mr. Deepak. The trial balance was out by Rs.986 excess credit. The difference has been posted to a suspense account.
- A sale of Rs.400 to Bobby & Co., was wrongly credited to their account.
 - A purchase of Rs. 134 had been posted to the creditor's account as Rs.120.
 - The total of returns inward book for December had been cast Rs.200 short.
 - A cheque for Rs.400 received from Sandhya had been dishonoured and was posted to the debit of "Allowance Account".

Section C ($2 \times 15 = 30$) MarksAnswer any **TWO** questions

20. Enter the following transactions in Rehan's cash book with discount and cash columns:

1999	Rs.
Jan 1 Cash balance	18,500
3 Cash sales	33,000
7 Paid Dravid	15,850
Discount allowed by him	150
13 Sold goods to Manohar on credit	19,200
15 Cash withdrawn for personal expenses	2,400
16 Purchased goods from Charles on credit	14,300
22 Paid into bank	22,750
25 Cash received from Manohar	19,000
Allowed him discount	200
26 Drew a cheque for office use	17,500
27 Paid cash to Saravanan	2,950
Discount received from him	50
28 Paid cash to Charles less discount	14,200
29 Cash purchases	13,500
30 Paid for advertising	600
31 Paid salaries	12,000

21. From the following trial balance extracted from the books of Kamalnath. Prepare Trading and Profit & Loss A/C and Balance Sheet for the year ended 31-12-96.

Debit Balances	Rs.	Credit Balances	Rs.
Cash at bank	2,610	Creditors	4,700
Book debts	11,070	Discounts	150
Salaries	4,950	Creditors for expenses	400
Carriage inwards	1,450	Return outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad debts	1,310	Capital	40,000
Office expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture and Fixtures	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on Property	1,200		
Freehold property	10,800		
	1,28,180		1,28,180

Adjustments:

- (a) Make a provision for doubtful debts at 5%.
- (b) Calculate discount on creditors @ 2%.
- (c) Office expenses include stationery purchased Rs. 800
- (d) Carriage inwards include Carriage paid on purchase of furniture Rs. 50
- (e) Outstanding salaries Rs. 150.
- (f) Prepaid insurance Rs. 300
- (g) Stock on hand Rs. 10,700 (including stationery stock Rs. 200).

22. Jain of Delhi consigned 300 tins of coconut oil to Narang of Chandigarh, invoiced at Rs. 200 per tin. Jain paid Rs. 2,000 as carriage and other expenses. The consignor drew a bill of exchange for Rs. 16,000 which was later discounted at Rs. 15,700. the consignee rendered an account showing the following details:

280 tins sold at Rs. 250 per tin.

20 tins sold at Rs. 260 per tin.

Storage and Selling expenses Rs. 5,000.

Clearing and Cartage Rs. 1,600.

Commission at 6% on sales.

The consignee sent a sight draft for the balance.

Show the entries and important ledger accounts in the books of the consignee.

23. A company acquired a machine on 1.1.88 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 A/C for 3 years.