

**B.Com. DEGREE EXAMINATION, APRIL 2020**  
**I Year I Semester**  
**Financial Accounting - I**

**Time : 3 Hours**

**Max.marks :75**

**Section A** (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Define Financial Accounting.
2. What is business entity concept?
3. What are the errors of principle?
4. Define bank reconciliation statement.
5. What is average clause?
6. List out the reasons for depreciation.
7. Rectify the following errors. a) Purchase book over cast by Rs.700 and  
b) Sales book under cast by Rs.1000.
8. Calculate average due date from the following.  
Rs.1000 due on 1-1-2001  
Rs.2000 due on 1-2-2001  
Rs.3000 due on 1-3-2001  
Rs.4000 due on 1-4-2001
9. Mr.Narayanan purchased a plant on 1-1-2009 for Rs.105000, scrap value at the end of 10 years is Rs.5000. calculate the amount of depreciation.
10. Calculate amount of claim as per Average clause assuming policy value=Rs.60000; Actual loss of stock is Rs.80000 and the stock on the date of fire is Rs.128000.
11. How do you rectify the following errors  
Purchase book carried forward Rs.10 less  
Sales book carried forward Rs.15 less  
Sales book carried forward Rs.32 instead of Rs.23.
12. Calculate gross profit ratio from the following  
Opening stock = Rs.50000; Purchases = Rs.140000; Sales = Rs.200000; Closing stock = Rs.30000.

**Section B** ( $5 \times 5 = 25$ ) MarksAnswer any **FIVE** questions

13. Write a note on accounting concepts and conventions.

14. Explain the various types of errors.

15. What are the various methods of depreciation

16. Pass journal entries to rectify the following errors.

Total of sales book is under cast by Rs.2000

Purchase of machinery of Rs.3000 entered in purchases book

A sale of Rs.45 to selvan was posted in his account as Rs.54.

Purchase returns book overcast by Rs.200.

The total sales book of Rs.1122 , posted in the ledger as Rs.1222.

17. On 1-1-1998 the amount due from Gopal to Krishnan was Rs.1000.During the six months ended June, the transactions are as follows.

10-2-1998 - Sold goods to Gopal - Rs.2000

15-3-1998 - Purchased goods from Gopal - Rs.600

20-4-1998 - Cash received from Gopal - Rs.800

15-5-1998 - Cash paid to Gopal - Rs.600

Prepare an account current to be rendered by Krishnan to Gopal on 30-6-1998, calculating interest @12%p.a.

18. An asset purchased on 01-01-2006 for Rs.190000and Rs,.10000 spent on errection. Books closed on 31st December every year.

Depreciation is 10% on original cost. Prepare machinery account for 3 years.

19. Prepare Bank reconciliation statement as on 31-12-1993.

Balance as per cash book - Rs.7225

Cheques deposited but not collected - Rs.675

Cheques issued but not presented for payment - Rs.879

Bank charges debited in Passbook - Rs.20

Interest credited in pass book - Rs.15

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

20. Distinguish between the single entry and double entry system

21. Mr.Bhaskar does not maintain his books in double entry system and the the following details are extracted from his books.

| Particulars | 01-01-2008 | 31-12-2008 |
|-------------|------------|------------|
| Machinery   | 250000     | 250000     |
| Stock       | 220000     | 195000     |
| Debtors     | 80000      | 255000     |
| Creditors   | 125000     | 100000     |
| Cash        | 4000       | 8000       |
| Bank        | 62500(Dr)  | 70000(Cr)  |

Cash book of 2008 shows the following transactions

Cash received from sales-Rs.312500;

Cash received from debtors-Rs.1600000

Cash paid to purchases-Rs.288500;

Cash paid to creditors-Rs.1320000

General expenses paid-Rs.214500;

Wages paid-Rs.150000

Drawings-Rs.68000;

Goods taken for personal use-Rs.19500

Depreciation on machinery-10%

Prepare final accounts with as much information as possible.

22. Mr.Lokesh purchased a motor car on 1-1-1996 for Rs.25000 and depreciated @10%p.a under WDV method. It was sold out on 31-12-1998 for Rs.16500. prepare motor car account and find out the profit or loss on sale.

23. The godown of SS Ltd caught fire on 15-6-2008. The following information is obtained from records. Find out the amount of claim

|                         |   |           |                       |   |           |
|-------------------------|---|-----------|-----------------------|---|-----------|
| Opening stock on 2007   | - | Rs.60000  | Sales in 2008         | - | 246000    |
| Closing stock on 2007   | - | Rs.84000  | Purchases in 2008     | - | Rs.180000 |
| Purchases during 2007   | - | Rs.508000 | Wages in 2008         | - | Rs.16200  |
| Wages for the year 2007 | - | Rs.20000  | Stock saved from fire | = | Rs.7200   |
| Sales during 2007       | - | Rs.720000 |                       |   |           |