

B.Sc. DEGREE EXAMINATION, APRIL 2020
I Year I Semester
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 are the different branches of accounting?
3. State the meaning of double entry system?
4. Pass journal entries for the following transactions:
 - a. Commenced Business with cash Rs.1,00,000
 - b. Deposited into bank Rs.50,000
5. Prepare Trading account from the following:
 - a. Opening stock Rs.80,000
 - b. Purchases Rs.6,00,300
 - c. Purchases return Rs.300
 - d. Sales Rs.7,00,000
 - e. Closing stock Rs.50,000
6. What is gross profit?
7. A company purchased a Machinery for Rs.1,00,000. The useful life of the plant is 10 years and the residual value is Rs.10,000. Find out the amount of depreciation.
8. What is depreciation?
9. What is single entry?
10. Calculate the capital at the beginning of the year;
 - a. Capital at the end of the year Rs.35,000
 - b. Drawings during the year Rs.5,000
 - c. Capital introduced during the year Rs.2,500
 - d. Profit during the year Rs.10,000
11. Prepare trial balance from the following:
 - a. Drawings Rs.6,000
 - b. Capital Rs.20,000
 - c. Bills payable Rs.4,000
 - d. Debtors Rs.10,000
 - e. Bills receivable Rs.8,000
 - f. Sales Rs.10,000
 - g. Wages Rs.10,000

12. Give the meaning of provision for Bad Debts.

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

Answer any **FIVE** questions

13. Explain the objectives of accounting.
14. Enter the following transactions in the simple column cash book:

2016 April 1	Cash in hand	Rs.3.00,000
5	Paid to Sanjay	Rs.51,000
9.	Purchased goods	Rs.18,000
11	Received from Sundar	Rs.3,000
14	Paid wages	Rs.600

15. The provision for Bad and Doubtful debts shows a balance of Rs.1,600 on 1st January 2017. The bad debts during the year amounted to Rs.600. Sundry Debtors on 31st December are Rs.16,000. Create a provision of 5% for bad and doubtful debts. Make necessary journal entries.
16. A machine purchased on 1st January 2017 at a cost of Rs.1,00,000. The depreciation is written off at 10% on the original cost every year. Show machinery account for three years and the books are closed on 31st December each year.
17. Mohan a retail merchant commenced business with a capital of Rs.12,000 on 1.1.17. Subsequently on 1.5.17 he invested further capital of Rs. 5,000. During the year he has withdrawn Rs.2,000 for his personal use. On 31.12.17 his assets and liabilities were as follows:

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 2017.

18. What are the salient features of single entry?
19. What are the causes for depreciation?

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

Answer any **THREE** questions

20. Explain in detail the different accounting concepts.

21. Journalize the following transactions in the books of Senthil for the year 2017

Date 2013 March	Particulars	Amount in Rs.
1	Commenced business	1,50,000
3	Purchased goods from Rajesh	11,000
8	Purchased goods for cash	25,000
10	Sold goods for cash	64,000
13	Sold goods to Govind	39,000
17	Paid cash to Magesh	4,000
23	Received cash from Govind	7,000
24	Withdrew from Bank	30,000
26	Paid rent	29,000
30	Deposited into Indian Bank	1,00,000

22. From the following TRIAL balance as on 31.12.2017 prepare Trading, Profit and Loss a/c and Balance as on that date.

Particulars	Debit	Credit
Stock on 1.1.2017	5,800	-
Cash in hand	2,000	-
Drawings	2,840	-
Rent	480	-
Furniture	4,000	-
Tax	600	-
Bad debts	800	-
Capital	-	18,000
General expenses	1,760	-
Purchase	41,200	-
Debtors	16,800	-
Sales	-	46,160
Creditors	-	9,960
Commission	-	2,160
	76,280	76,280

Adjustments:

- Depreciation on furniture 10% p.a.
- Rent outstanding Rs.1,000.
- Tax prepaid Rs.200.
- Closing stock Rs.3,500.

23. A company, whose accounting year is the calendar year, purchased on 1st January 2016, machinery costing Rs. 40,000. It purchased further machinery on 1st October, 2016 costing Rs. 20,000. On 1st January 2017, the machinery installed on 1st January 2016 became obsolete and was sold for Rs. 14,000. Machinery is depreciated on fixed installment method at 10% p.a. Show the

machinery account. Accounts are closed on 31st December every year.

24. Ram keeps his books on single entry basis. Prepare a statement of affairs as on 31.12.2018 and a statement of profit or loss for the period ending 31.12.2018.

Assets & liabilities	1.1.2018	31.12.18
Bank balance	9,860	800
Stock	38,250	57,020
Plant and machinery	54,420	61,000
Bills receivable	-	16,480
Debtors	24,840	43,940
Creditors	72,040	80,000
Furniture	4,960	5,220

Ram had withdrawn Rs.5,000 during the year and had introduced fresh capital of Rs.20,000. From the above particulars prepare a statement of profit and loss of Ram for the year ended 31.12.18.