

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

**Time : 3 Hours**

**Max.marks :75**

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

Answer any **TEN** questions

1. Define financial accounting.
2. What is business entity concept?
3. List out the secondary books of entry.
4. What are the golden rules of accounting?
5. Define depreciation.
6. What is provision for bad debts?
7. Mr.Lokesh started business with a capital of Rs.25000, furniture-Rs.25000, plant of Rs.25000 and a motor car of Rs.25000. pass journal entry.
8. Mrs.Sitha purchased a car on 1-1-2018 for Rs.250000 and would like to depreciate @20%p.a. find out the amount of depreciation.
9. The opening balance of cash is Rs.50000, received from debtors is Rs.100000, cash paid to creditors is Rs.150000, what could be the closing balance of cash?
10. Pass journal entries for the following transactions  
Mr.Ram purchased a plant for Rs.60000  
Cash paid into bank - Rs.50000
11. Enter the following items in to balance sheet  
Creditors-Rs.25000; Cash-Rs.25000; Capital-Rs.100000, Land-Rs.100000, Goodwill-Rs.30000; Bank loan-Rs.30000
12. Bata Ltd sent goods to Hyderabad branch for Rs.500000; and Hyderabad branch returned Rs.50000 worth of goods. Pass journal entries for the same.

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

Answer any **FIVE** questions

13. Write a note on concepts and conventions of accounting.
14. What are the reasons for depreciation?
15. How do you prepare a cash book?

16. Prepare TRIAL balance from the following

Capital	-	50000	Plant	-	60000	Investments	-	30000
Creditors	-	25000	Goodwill	-	40000	Debtors	-	25000
Debentures	-	25000	Loan	-	30000	Reserve	-	25000

17. Mr.Raman Purchased a car for Rs.500000 and depreciating @10%p.a. pass journal entries for the above transactions and prepare asset account for 2 years.

18. Prepare purchase book from the following.

1-1-2008	-	cash purchases	-	Rs.20000
5-1-2008	-	purchases from ram	-	Rs.25000
10-1-2008	-	purchases from	-	Rs.30000
15-1-2008	-	purchase returs to	-	Rs.5000
20-1-2008	-	purchases from Latha	-	Rs.50000
25-1-2008	-	cash purchases	-	Rs.10000

19. Prepare cash book from the following.

Date	Particulars	Amount.Rs.
1-1-2020	Opening balance	100000
5 <sup>th</sup>	Purchases	25000
10 <sup>th</sup>	Sales	50000
15 <sup>th</sup>	Collection from debtors	10000
20 <sup>th</sup>	Rent	20000
25 <sup>th</sup>	Salary	15000
30 <sup>th</sup>	Discount received	5000
31 <sup>st</sup>	Interest paid	6000

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

Answer any **THREE** questions

20. Who are the various groups interested in accounting information.

21. Prepare final accounts from the following TRIAL balance.

Debit balances	Rs.	Credit balances	Rs.
Bank	2610	Creditors	4700
Debtors	11070	Discount	150
Salary	4950	Outstanding salary	400
Carriage inwards	1450	Purchase returns	2520
Delivery charges	1590	Sales	80410
Bad debts	1310	Capital	40000
Office expenses	5100		
Purchases	7350		
Sales returns	1590		

Furniture	12300		
Stock	14360		
Depreciation	4500		
Wages	60000		
	128180		128180

Closing stock-Rs.10000; Provision for bad debts is required @5%.

22. Mr.Akash purchased a plat for Rs.25000 on 1-1-2006.  
The estimated life = 10years and scrap value is=Rs.500. straight line method of depreciation is adopted. Prepare machinery account for 3 years.
23. Prepare a branch account from the following and find out the profit.  
Opening stock at the branch - Rs.15000  
Goods sent to branch - Rs.45000; Sales - Rs.60000  
Salaries - Rs.5000; Other expenses - Rs.2000  
Closing stock - Rs.25000
24. Mr.A is not an expert in accounting. He prepared the following trial balance. You are required to correct it and Prepare a corrected trial balance.

Name of Account	Debit	Credit
1. Capital	-	15,560
2. Sales	-	27,560
3. Sales Return	-	980
4. Drawings	5640	-
5. Sundry debtors	-	5,300
6. Free hold premises	7,410	-
7. Purchases	12,680	-
8. Return outwards	2640	-
9. Loan from Sharma	-	2,500
10. Sundry Creditors	5,280	-
11. Administration Expenses	7,840	-
12. Cash in hand	1,420	-
13. Bills payable	1,000	-
14. Wages	5,980	-
15. Opening stock	-	2,640
16. Factory expenses	4,650	-
	54,540	54,540