

B.Com(CS) DEGREE EXAMINATION, APRIL 2020
I Year I Semester
Financial Accounting - I

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. What is meant by Financial accounting?
2. What is meant by Average due date?
3. Mention the two types of Errors.
4. Rectify the following errors: Purchases book carried forward Rs.10 less.
5. What is meant by Bank Reconciliation Statement?
6. Calculate insurance claims from the following facts assuming that the insurers met their liability under the policy on average basis. A trader's stock valued at Rs.80,000 was totally destroyed. The stock in the godown was insured for Rs.60,000 subject to average clause. The balance of stock left after fire, appeared in the books at Rs.48,000.
7. Prepare a bank reconciliation statement as on 31.12.2018 from the following details.
Balance as per cash book – Rs.7,225
Cheque deposited into bank but not collected – Rs.675
Cheque issued but not presented for payment – Rs.879
Bank charges debited in the pass book – Rs.20
Interest credited in the pass book – Rs.15
8. Narayan & Co. Purchased an asset on 1.1.2009, the particulars of which are given below:
Cost of the asset – Rs.1,05,000 ; Scrap value – Rs.5,000 ;
Estimated life time – 10 years. Determine the amount to be written off under straight line method of depreciation.
9. From the following details relating to subscription, calculate the subscription income for the year ending 2008.
Subscription received during 2008 was Rs.24,000. It includes subscription for 2007 Rs.2,000 and 2009 Rs.4,000. Subscription to be received for 2008 but unpaid was Rs.10,000. Subscription received in advance in 2007 for 2008 was Rs.6,000.
10. Write any 2 features of Single Entry System.

11. Ravi is maintaining his books under Single Entry System. He gives the following information. Calculate his profit.

Capital as on 1.1.2008 – Rs.5,45,000
Capital as on 31.12.2008 – Rs.6,60,000
Ravi's drawings in 2008 – Rs.1,10,000
Capital introduced during 2008 – Rs.40,000

12. From the following, calculate capital at the beginning of the year:

Capital at the end of the year – Rs.70,000
Drawings during the year – Rs.10,000
Capital introduced during the year – Rs.5,000
Profit made during the year – Rs.20,000

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

Answer any **FIVE** questions

13. Explain Business Entity Concept.
14. A owes B the following sums of money due on the dates stated. Calculate the average due date.
Rs.1,000 due on January 1,2001 ; Rs.2,000 due on February 1,2001 ;
Rs.3,000 due on March 1,2001 ; Rs.4,000 due on April 1,2001.
15. Rectify the following errors:
(i) Sales to Murali & Co for Rs.1,340 has been posted to his account as Rs.1,430.
(ii) Purchase from Sumathy for Rs.2,000 has been posted to the debit side of her account.
16. The pass book of Mr.Sekar showed a credit balance Rs.9,250. A comparison of pass book and cash book revealed the following:
(a) Cheques deposited but not yet cleared by 31st March 2015 Rs.1,500.
(b) Cheques issued by Sekar but not presented for payment Rs.2,000.
(c) Insurance premium paid by the bank but not recorded in the cash book Rs.240.
(d) Bank commission not yet recorded in the cash book Rs.10.
(e) Interest collected by the bank not yet recorded in the cash book Rs.500.
Prepare a Bank Reconciliation Statement.
17. Calculate the expenditure to be shown in Income & Expenditure A/c from the following:
(a) Sports materials purchased for cash – Rs.2,00,000

- (b) Opening stock of sports materials – Rs.25,000
- (c) Closing stock of sports materials –Rs.4,00,000
- (d) Opening creditors for sports materials – Rs.28,000
- (e) Closing creditors for sports materials – Rs.22,000
- (f) Cash paid to creditors for sports materials – Rs.1,00,000

18. Write the merits of Single Entry System.
19. Mr.Kannan kept his books on Single entry system. His position on 31.12.1992 was as follows:

Cash in hand – Rs.250; Bank – Rs.2,750 ; Stock – Rs.21,000 ; Debtors – Rs.7,500 ; Furniture – Rs.1,750 ; Machinery – Rs.15,000 ; Creditors – Rs.18,000. He introduced new capital of Rs.5,000 during the year and also withdrew @ Rs.600 every month.

His position on 31.12.1993 was : Cash – Rs.300 ; Bank – Rs.2,200 ; Debtors – Rs.12,000 ; Stock – Rs.18,000 ; Machinery – Rs.25, ; Creditors – Rs.23,000.

From the above particulars prepare his Profit & Loss position for the year ended 3.12.1993.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Explain (a) Going Concern Concept (b) Money Measurement Concept.
21. Akash has obtained the following loans from Akshay payable on the following due dates:

Amount (Rs)	Due Date
4,000	10.03.2009
7,000	02.04.2009
4,500	30.04.2009
2,500	10.05.2009

wants to pay the entire amount on 30.06.2009. Calculate the interest @ 10%p.a with the help of average due date.

22. On 01.01.2005, machinery was purchased by Mr.Y for Rs.50,000. On 01.07.2006, additions were made to the extent of Rs.10,000. On 01.04.2007, further addition were made to the extent of Rs.6,400.

On 30.06.2008, the original value of machinery of Rs.8,000 on 01.01.2005, was sold for Rs.6,000. Mr.Y closes his books on 31st December every year.

Show the machinery account and provision for depreciation account for the year from 2005 to 2008 in the books of Mr.Y if depreciation is charged at 10% on Original Cost Method.

23. From the following information, calculate Credit Purchases and Total Purchases:

Particulars	Rs.
Cash Purchases	29,000
Opening balances of bills payable	7,500
Opening balances of creditors	20,000
Closing balance of bills payable	2,500
Closing balance of creditors	18,000
Cash paid to creditors	25,000
Cash paid to bills payable in the relevant year	10,500
Purchase returns	1,500
Allowances from creditors	800
Bills payable dishonoured	300