

B.Com(Hons) 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 **ALL** the questions

1. What do you mean by accounting?
2. Why is receipt and payments account prepared?
3. Write a short note on account current.
4. What is depreciation?
5. What do you mean by single entry?
6. Journalise the following :
 - (a) Purchased goods for cash Rs.5000
 - (b) Sold goods to Hasheem for Rs.10,000.
7. Find out the amount of salaries to be debited to income and expenditure account for 1999 from the details given below:

| | |
|----------------------------------------|--------|
| Payments made for salaries during 1999 | 48,000 |
| Outstanding salary as on 31-12-1998 | 2,000 |
| Outstanding salary as on 31-12-1999 | 3,200 |
| Prepaid salary as on 31-12-1998 | 1,200 |
| Prepaid salary as on 31-12-1999 | 1,600 |
8. The following errors were found in the books of Prabhakar & sons. Give the necessary entries to correct them:
 - a) Repairs made were debited to building account for Rs.250
 - b) An amount of Rs.500 withdrawn by the proprietor for his personal use has been debit-ed to trade expenses account.
9. A company purchased a plant for Rs.30,000 on 1.1.86. This is expected to last for 5 years. Estimated scrap value at the end of five years is Rs.5000. Find out the rate of depreciation under the straight-line method.
10. Find out profit from the following data.

| | |
|--------------------------------------|----------|
| Capital at the beginning of the year | 8,00,000 |
| Drawings during the year | 1,80,000 |
| Capital at the end of the year | 9,00,000 |
| Capital introduced during the year | 50,000 |

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

11. Explain the scope of accounting.
12. Distinguish between receipt and payments account and income and expenditure account.
13. Prepare the Trial Balance from the following:

| | | | |
|----------------------|---------|--------------------|--------|
| Cash | 4,000 | Plant & Machinery | 30,000 |
| Capital | 25,000 | Bills payable | 6,000 |
| Stock | 5,000 | Sales | 10,000 |
| Outstanding Expenses | 1,000 | Sales returns | 3,000 |
| Drawings | 3,000 | Outstanding income | 4,000 |
| Purchase returns | 1,000 | Creditors | 15,000 |
| Purchases | 15,000. | | |

14. Prepare receipts and payments A/c of a club for the year ended 31st Dec 1999 from the following particulars:

| | |
|------------------------------------------------|----------------------------------------|
| Opening balance of cash Rs.40,000 | Rent paid Rs.1,200 |
| Receipt of entrance fees Rs.8,000 | Payment for purchase of balls Rs.500 |
| Subscription received for 1999 Rs.16,000 | Paid salary Rs.2,000 |
| Previous year's subscription received Rs.1,600 | Payment for stationery in cash Rs.100 |
| Payment for purchase of cricket bats Rs.1,600 | Paid for miscellaneous expenses Rs.200 |

15. Correct the following errors found in the books of Mr.Ravi. the trial balance was out by Rs.986, excess credit. The difference has been posted to a suspense account.
 - i) A sale of Rs.400 to Bobby & Co., was wrongly credited to their account.
 - ii) A purchase of Rs.134 had been posted to the creditors account as Rs.120.
 - iii) The total of returns inward book for December had been cast Rs.200 short.
 - iv) A cheque for Rs.400 received from Ramya had been dishonoured and was posted to the debit of allowance account.
16. From the following particulars, ascertain the bank balance as per cash book of swamy as at 31st march 1993.
 - i) Credit balance as per pass book as on 31-3-93 Rs.2500
 - ii) Bank charges of Rs.60 had not been entered in the cash book.
 - iii) Out of the cheques of Rs.3500 paid in to the bank, a cheque of Rs.1000 was not yet credited by the banker.

- iv) Out of the cheques issued for Rs.4500, cheques of Rs.3800 only were presented for payment.
- v) A dividend of Rs.400 was collected by the banker directly but not entered in the cash book.
- vi) A cheque of Rs.600 deposited had been dishonoured prior to 31-3-93, but no entry was made in the cash book.
17. A fire occurred in the premises of X Ltd. On 10.10.91. All stocks were destroyed except to the extent of Rs. 6,200. From the following figures, ascertain the loss of stock suffered by the company:
- | | |
|---------------------------------------------|----------|
| Stock on 1.1.90 | 40,000 |
| Purchases during 1990 | 1,45,000 |
| Sales during 1990 | 2,00,000 |
| Stock on 31.12.90 | 25,000 |
| Purchases during 1991 upto the date of fire | 1,52,200 |
| Sales during 1991 upto date of fire | 1,89,000 |
18. From the following details find out the credit purchases and total purchases:

| | |
|-------------------------------|-------------------------------------------|
| Cash purchases 29,000 | Bills payable paid during the year 10,500 |
| Bills payable [opening] 7500 | Purchase returns 1,500 |
| Bills payable [closing] 2,500 | Allowances from creditors 800 |
| Creditors [opening] 20,000 | Bills payable dishonored 300 |
| Creditors [closing] 18000 | Cash paid to creditors 25000 |

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

PART - A - Case Study - Compulsory Question

19. Mr. A keeps his books according to single entry system. His position on 1.1.2012 was as under:
- Cash in hand Rs.200; Cash at Bank Rs. 3,000; Stock Rs.20,000; Sundry debtors Rs.8,500; Machinery Rs.15,000; Furniture Rs.1,800; Sundry Creditors Rs.22,000.
- Mr. A brought Rs. 5,000 more capital during the year and withdraws Rs. 9,000.
- His position on 31.12.2012 was as under:
- Cash in hand Rs.300; Cash at Bank Rs. 2,000; Sundry Creditors Rs.29,000; Stock Rs.19,000; Sundry debtors Rs.14,000; Machinery Rs.27,000; Furniture Rs.1,500.
- From the above information:
- Prepare a statement of affairs as on 31.12.2012.
 - Find out the profit for the year 2012.

PART - BAnswer any **ONE** questions

20. From the following Trial balance of X Ltd. , prepare Trading and Profit and Loss Account for the year ending 31.03.1999 and a balance sheet as on that date:

Trial Balance

| Particulars | Rs | Particulars | Rs |
|---------------------|--------|-------------------|--------|
| Opening stock | 9,300 | Commission Earned | 200 |
| Repairs | 310 | Purchase returns | 440 |
| Machinery | 12,670 | Creditors | 12,370 |
| Furniture | 1,330 | Sales | 20,560 |
| Salary | 750 | Capital | 24,500 |
| Rent | 310 | Loan | 5,000 |
| Land and Buildings | 15,400 | | |
| Bank charges | 50 | | |
| Purchases | 15,450 | | |
| Sales returns | 120 | | |
| Advertisement | 500 | | |
| Cash in hand | 160 | | |
| Cash at bank | 5,870 | | |
| Sundry Expenses | 150 | | |
| Insurance | 500 | | |
| Travelling Expenses | 2007 | | |
| | 63,070 | | 63,070 |

Adjustments:

- (a) Stock on 31.03.99 Rs.7,585
 (b) Prepaid Insurance Rs.250
 (c) Depreciation on Land and Buildings at 5% and Machinery at 10%
21. A company whose accounting year is the calendar year, Purchased on 1.1.93 a machine for Rs.40,000. It purchased further machinery on 1st Oct 1993 for Rs.20,000 and on 1st July 1994 for Rs.10,000. On 1.7.1995, $\frac{1}{4}^{th}$ of the Machinery installed on 1.1.1993 became Obsolete and was sold for Rs.6,800.
- Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing Balance method. Depreciation is to be provided at 10% p.a.