

B.A. DEGREE EXAMINATION, ODD SEMESTER 2020
II Year III Semester
Basic Financial Accounting

Max.marks :25

Answer any **FIVE** questions ($5 \times 5 = 25$) Marks

1. What are the rules of double entry system of accounting?
2. Prepare Trial balance from the following:

Particulars	Rs	Particulars	Rs.
Capital	9,000	Rent Outstanding	1,000
Plant Machinery	12,000	Opening stock	2,000
Purchases	8,000	Sales returns	4,000
Sales	12,000	Investments	14,000
Sundry creditors	8,000	Debtors	12,000
Bank Loan	22,000		

3. Prepare Profit & Loss account for the year ending on 31.3.1994

Particulars	Rs.	Particulars	Rs.
Gross profit	25,000	Stationery	75
Salaries	5,600	Rent	650
Insurance	200	Interest on loan	225
Discount allowed	400	Repairs	125
Discount received	300	Office expenses	55
Commission earned	100	General expenses	875
Advertisement	450	Postage	175
Taxes	150	Printing charges	375
Travelling expenses	500		

4. A machine was bought on 1.1.98 for Rs.12,000 and installation expenses amounted to Rs.3,000. Depreciation was provided at 10% on the original cost. It was sold on 30.6.2000 for Rs.7,250. Show the profit or loss on sale of machinery.
5. From the following details, find out the credit purchases & total purchases:

Particulars	Rs.	Particulars	Rs.
Cash purchases	29,000	Cash paid to creditors	25,000
Bills payable(opening)	7,500	Bills payable paid during the year	10,500
Bills payable(closing)	2,500	Purchase returns	1,500
Creditors(opening)	20,000	Allowances from creditors	800
Creditors(closing)	18,000	Bills payable dishonoured	300

6. Differentiate between Balance sheet & Statement of affairs.

7. From the following particulars, prepare a Bank Reconciliation statement as on 31.12.98

Balance as per cash book	5,877
Cheques issued but not presented for payment	2,013
Cheques deposited, but not cleared	1,419

Bankers had wrongly debited the firm account with Rs.225 which was not yet rectified on 31.12.98