

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)**

**(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.**

B.Com. END SEMESTER EXAMINATIONS APRIL-2022

SEMESTER - I

16UCOCT1B01 - Financial Accounting - I

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. What is Accounting Equation?
2. What is Error of Principle?
3. Bank Pass book of M/s.ABC Industries showed a credit balance of Rs.54,700 on July 31,2017. The following differences were found on that date between the cashbook and the passbook.
 - * Cheques issued before July 31,2017,amounting to Rs.38,000 had not been presented for payment.
 - * Two cheques of Rs.10,000 and Rs.7,000 were deposited into bank on July 31, but the bank gives credit for the same in August.
 - * Insurance premium directly paid by bank Rs.10,000.
 - * Rs.4,000 wrongly debited to the firm account by the bank.

Prepare Bank Reconciliation Statement as on July 31, 2017.

4. A trader's stock valued at Rs.40,000 was totally destroyed by fire. The stock in the Godown was insured for Rs.30,000 subject to average clause. The balance of stock, left after fire, appeared in the books at Rs.24,000. Calculate the claim to be lodged
5. From the following, calculate the amount of sales during the year by preparing memorandum trading account.

Stock on 1.1.2009	Rs.21,000
Stock on 31.12.2009	Rs.14,000
Purchase during 2009	Rs.1,40,000
Wages	Rs.3,500
Rate of Gross Profit on sales	20%
6. What do you mean by bad debts?
7. Write short note on red ink interest.
8. What are the merits and demerits of straight line method?

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Section B

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Enumerate the accounting convention and concepts.
10. The following balances were extracted from the books of kannan as on 31st March, 2018.

Particulars	Amount	Particulars	Amount
Purchase	75,000	Capital	51,000
Returns inward	2,000	Creditors	30,000
Opening stock	1,000	Sales	1,20,000
Freight inwards	4,000	Returns outward	1,000
Wages	2,000		
Investments	10,000		
Bank charges	1,000		
Land	30,000		
Machinery	30,000		
Building	25,000		
Cash at bank	18,000		
Cash in hand	4,000		

Additional information:

- Closing stock Rs.9,000.
- Provide depreciation @ 10% on machinery.
- Interest accrued on investment Rs.2,000.

Prepare trading account, profit and loss account and balance sheet.

11. Hari owes Ram Rs.2,000 on 1st April, 1996. From 1st April, 1996 to 30th June, 1996 the following further transactions took place between Hari and Ram:
- April 10 Hari buys goods from Ram for Rs.5,000.
- May 16 Hari receives cash loan of Rs.10,000 from Ram.
- June 9 Hari buys goods from Ram for Rs.3,000.
- Hari pays the whole amount, together with interest @ 15% per annum, to Ram on 30th June, 1996. Calculate the interest payable on 30th June, 1996 by the Average due-date method.
12. Discuss the various causes of depreciation.
13. Distinguish between Double entry system and Single entry system.
