

**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.  
BCOM.(CS) END SEMESTER EXAMINATION APRIL/NOV - 2021  
SEMESTER - I  
16UBCCT1B01 - Financial Accounting - I**

<b>Total Duration : 3 Hrs</b>	<b>Total Marks : 75</b>
MCQ : 30 Mins	MCQ : 15
Descriptive : 2 Hrs.30 Mins	Descriptive : 60

Section B

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

1. Explain the Advantages of Accounting.
2. Rectify the following errors which are located in the books of Mr. Ahmed at the end of March, 2017:
  - (i) Sale of old furniture for Rs.2,000 treated as sale of goods.
  - (ii) Rs.12,000 paid of salary to cashier Mr. Naeem, stands debited to his personal account.
  - (iii) An amount of Rs.5,000 withdrawn by the proprietor for his personal use has been debited to trade expenses a/c.
  - (iv) Cash received from Mr. Bilal Rs.300 was credited to Mr. Baber.
  - (v) Repairs made were debited to building account Rs.100.

Rs.1,000 received as interest was credited to commission account. Rs.5,200 paid for the purchase of typewriter was charged to office expenses account
3. The following balances were extracted from the books of Thomas as on 31<sup>st</sup> March, 2018.

Particulars	Rs.	Particulars	Rs.
Purchases	75,000	Capital	60,000
Return inward	2,000	Creditors	30,000
Opening stock	10,000	Sales	1,20,000
Freight inwards	4,000	Returns outward	1,000
Wages	2,000		
Investment	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		
	<b>2,11,000</b>		<b>2,11,000</b>

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Additional information:

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

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

4. Kumar, a partner in a firm has drawn the following amounts for the half year ended 30<sup>th</sup> June 2004:

Rs 15,000 on let on 1<sup>st</sup> January 2000 is repayable as follows:

Rs. 1,000 on 1<sup>st</sup> January 2001

Rs. 3,000 on 1<sup>st</sup> January 2003

Rs. 5,000 on 1<sup>st</sup> January 2004

Rs. 6,000 on 1<sup>st</sup> January 2005

Determine the Average due date for setting all the above installments by single payments and compute 6% interest at 6% p.a

5. On 1<sup>st</sup> April, 2012, Shri Ram purchased a machinery costing Rs.40,000 and spent Rs.5,000 on its erection. The estimated effective life of the machinery is 10 years with a scrap valued of Rs.5,000.

Calculate the Depreciation on the Straight-Line Method and show the Machinery Account of first three years. Accounting year ends on 31<sup>st</sup> March every Year.

6. From the following information, calculate the amount of subscriptions to be credited to the income and expenditure account for the year 2007-08.

Particulars	Amt (Rs.)
Subscriptions received during the year	50,000
Subscriptions outstanding on 31 <sup>st</sup> March, 2007	20,000
Subscriptions outstanding on 31 <sup>st</sup> March, 2008	6,000
Subscriptions received in advance on 31 <sup>st</sup> March, 2007	8,000
Subscriptions received in advance on 31 <sup>st</sup> March, 2008	9,000
Subscriptions of Rs.1,500 are still in arrears for the year 2006-07.	

7. 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:

Particulars	Rs.
Stock on 1.1.1990	40,000
Purchase during 1990	1,45,000
Sales during 1990	2,00,000
Stock on 31.12.1990	25,000
Purchases during 1991 upto the date of fire	1,52,200
Sales during 1991 upto date of fire	1,89,000

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8. Following information of an accounting year is given:

Opening Capital Rs.60,000; Drawings Rs.5,000; Capital added during the year Rs.10,000 and Closing Capital Rs.90,000. Calculate the Profit or Loss for the year.

Section C

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

9. Ram Prashad keeps his books on Single Entry System and from them and the particulars supplied, the following figures were gathered together on 31<sup>st</sup> March, 2013:

Book Debts Rs.10,000

Cash in Hand Rs.510

Stock-in-Trade (estimated) Rs.6,000

Furniture and Fittings Rs.1,200

Trade Creditors Rs.4,000

Bank Overdraft Rs.1,000

Ram Prashad stated that he started business on 1<sup>st</sup> April with cash Rs.6,000 paid into bank but stocks valued at Rs.4,000. During the year he estimated his drawings to be Rs.2,400. You are required to prepare the statement, showing the profit for the year, after writing off 10% for Depreciation on Furniture and Fittings. What Journal entries will start the books on a Double Entry System with the above figures?

10. Given below are the balances extracted from the books of Nagarajan as on 31<sup>st</sup> March, 2016.

Particulars	Rs.	Particulars	Rs.
Purchases	10,000	Sales	15,100
Wages	600	Commission received	1,900
Freight inwards	750	Rent received	600
Advertisement	500	Creditors	2,400
Carriage outwards	400	Capital	5,000
Cash	1,200		
Machinery	8,000		
Debtors	2,250		
Bills receivable	300		
Stock on 1 <sup>st</sup> January, 2016	1,000		
	<b>25,000</b>		<b>25,000</b>

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Prepare the trading and profit and loss account for the year ended 31<sup>st</sup> March, 2016 and the balance sheet as on that date after adjusting the following:

- i. Commission received in advance Rs.400.
- ii. Advertisement paid in advance Rs.150.
- iii. Wages outstanding Rs.200.
- iv. Closing stock on 31<sup>st</sup> Rs.2,100.

11. Explain the Accounting Conventions.

12. From the following particulars prepare a Bank Reconciliation Statement to find out the causes of difference in two balances as on August 31<sup>st</sup>, 2016 for Four Star (Pvt.) Ltd.

- (i) Bank Overdraft as per Bank Statement Rs.17,000.
- (ii) Check issued but not encashed during the August Rs.2,200.
- (iii) Dividends on shares collected by banker Rs.2,300.
- (iv) Interest charged by the bank recorded twice in the Cash Book Rs.500.
- (v) Check deposited as per Bank Statement not entered in Cash Book Rs.3,400.
- (vi) Credit side of the Bank column in Cash Book cast short Rs.1,000.
- (vii) Clubs' dues paid by bank as per standing instruction not recorded in Cash Book Rs.1,200.
- (viii) Un credited check due to outstation Rs.3,900.

13. Preparation of receipt and payment account of a club:

Particulars	Rs.	Particulars	Rs.
Opening balance of cash	40,000	Rent paid	1,200
Receipt of Entrance Fees	8,000	Payment for purchaser of cricket balls	500
Subscription received for 1999	16,000	Payment for purchaser of cricket bats	1,600
Previous year subscription received	1,600	Payment for stationary in cash	100
Paid salaries	2,000		
Paid for Miscellaneous Expenses	200		