

**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.(BIM) END SEMESTER EXAMINATIONS APRIL-2022

SEMESTER - I

21UBBCT1001 - Financial Accounting

Total Duration : 3 Hrs.

Total Marks : 60

Section A

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

1. Explain the objectives of accounting.
2. Cash Book shows a balance of ₹12,500. On comparing the Cash Book with the Pass Book, following discrepancies were noted:

S.No.	Particulars	Rs.
a)	Cheques issued but not yet presented for payment.	6,000
b)	Cheques deposited in the bank but not collected.	9,000
c)	Bank paid insurance premium.	5,000
d)	Bank charges.	300
e)	Directly deposited by a customer.	8,000
f)	Interest on investment collected by bank.	2,000
g)	Cash discount allowed of ₹200 was recorded on the debit side of the Bank column.	

Prepare Bank Reconciliation Statement.

3. On July 01, 2010, Ashok Ltd. Purchased a Machine for ₹1,08,000 and spent ₹12,000 on its installation. At the time of purchase it was estimated that the effective commercial life of the machine will be 12 years and after 12 years its salvage value will be ₹12,000. Prepare machine account and depreciation Account in the books of Ashok Ltd. For first three years, if depreciation is written off according to straight line method. The accounts are closed on December 31st, every year.
4. Explain the differences between single entry system and double entry system.
5. Journalize the following transactions and post them in the ledger.
 - a) Ram started business with a capital of Rs.10,000.
 - b) He purchased furniture for cash Rs.4,000.
 - c) He purchased goods from Mohan on credit Rs.2,000.
 - d) He paid cash to Mohan Rs.1,000.

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6. Rectify the following errors:-
- Goods for ₹5,500 were purchased from Modern Traders on credit, but no entry has yet been passed.
 - Purchase Return for ₹1,500 not recorded in the books.
 - Goods for ₹2,000 sold to 'Geeta Traders' on Credit were entered in the sales book as ₹200 only.
 - Goods of the value of ₹1,800 returned by Sunil & Co. were included in stock, but no entry was passed in the books.
 - Goods purchased for ₹900, entered in the purchases book as ₹9,000.
 - An invoice for goods sold to X was overcast by ₹100.
7. State the significance of average clause.
8. The opening capital of a trader was Rs.60,000. During the year he withdrew Rs.5,000 and additional capital introduced was Rs.10,000. The closing capital Rs.90,000. Calculate the profit or loss.

Section B

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

9. Explain in detail the basic accounting concepts.
10. The following balances were extracted from the books of Thomas as on 31st 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	Return outwards	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		
Total	2,11,000	Total	2,11,000

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.

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SEMESTER - I
21UBBCT1001 - Financial Accounting

11. Prepare a bank reconciliation statement from the following particulars and show the balance as per cash book.
- (i) Balance as per passbook on March 31, 2017 overdrawn Rs.20,000.
 - (ii) Interest on bank overdraft not entered in the cash book Rs.2,000.
 - (iii) Rs.200 insurance premium paid by bank has not been entered in the cash book.
 - (iv) Cheques drawn in the last week of March, 2017, but not cleared till date for Rs.3,000 and Rs.3,500.
 - (v) Cheques deposited into bank on February 2017, but yet to be credited on dated March 31, 2017 Rs.6,000.
 - (vii) Wrongly debited by bank Rs.500.
12. A fire occurred in premises of premises of merchant on 18th September, 2009 and a considerable part of stock was destroyed. The value of stock saved was Rs.8,200. The books disclosed that on 1st April, 2009 the stock was valued at Rs.66,850, the purchases to the date of fire amounted to Rs.1,85,000 and the sales to Rs.2,82,000. Goods costing Rs.500 were taken for personal use and goods sold for Rs.2500 were returned to merchant. On investigation it is found that during the past five years the average gross profit on cost was 25%. You are required to prepare a statement showing the amount the merchant should claim from the insurance company in respect of stock destroyed by fire.
13. Mr. Mano keeps his books of accounts under single entry system. His financial position on 31.12.20 and 31.12.21 was as follow: -

Particulars	31.12.20	31.12.21
Cash	9860	800
Stock in trade	38,520	57,020
Plant and machinery	54,420	61,000
Bills receivable	-	16,480
Sundry debtors	24,840	43,940
Sundry creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-	5,000

During the year he introduced an additional capital of Rs.20,000. From the above particular prepare a statement of profit and Loss of Mr.Mano for the year ended 31.12.21.
