

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

SEMESTER - I

21UCCCT1001 - Financial Accounting

Total Duration : 3 Hrs.

Total Marks : 60

Section A

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

1. Give the meaning of Convention of Full Disclosure.
2. Calculate the amount of stationery consumed during the calendar year 2020

Stock of stationery as on Jan 1 2017	4,500
Creditors for stationery on Jan 1 2017	300
Advance paid for stationery during the year	400
Amount paid for stationery during the year	9,000
Stocks of stationery on Dec 31 2017	500
Creditors for stationery for Dec 31 2017	1,100
Advance paid for stationery on Dec 31 2017	1,300

3. A company purchased a machinery on 1st January 2010 costing Rs.50,000. It purchased further machinery on 1st October 2011 costing Rs.20,000.
On 1st January 2012, the machinery installed on 1st January 2010 became obsolete and was sold for Rs.25,000. Machinery is depreciated on straight line method at 10% p.a. Prepare Machinery account and accounts are closed on 31st December every year.
4. Bring out the difference between single entry and double entry system.
5. A fire occurred at the premises of a trader on 31.05.2018 destroying a great part of his goods. His stock at 1.1.18 was Rs.60,000. The value of stock salvaged was Rs.13,500.
The gross profit on sales was 30% and sales amounted to Rs.1,53,000 from January to date of fire, while for same period the purchases amounted to Rs.1,03,500. Prepare a statement of claim.
6. Sanjay purchase a motor cycle on hire purchase system. The cash price of the vehicle was Rs.56,000. Rs.15,000 has to be paid as down payment and the balance in three installments of Rs.15,000 each.
Rate of interest was charged at 5% p.a. Calculate the interest included in each installment.

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7. Mohan a retail merchant commenced business with a capital of Rs.12,000 on 1.1.17. Subsequently on 1.5.17 he invested further capital of Rs.5,000. During the year he has withdrawn Rs.2,000 for his personal use. On 31.12.17 his assets and liabilities were as follows:

Cash at Bank	3,000
Debtors	4,000
Stock	16,000
Furniture	2,000
Creditors	5,000

Calculate the profit or loss made during the year 2017.

8. Give adjusting entries for the following:
- Prepaid insurance Rs.600.
 - Depreciation on Machinery Rs.1,250.
 - Interest on drawings at 5% (Drawings Rs.1,000).
 - Bad debts Rs.500.

Section B

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

9. Distinguish between Receipts and payments account and income and expenditure account.
10. The following are the ledger balances extracted from the books of Akbar:

Akbar's capital	50,000
Bank overdraft	8,400
Sales	3,01,000
Return inwards	5,000
Furniture	5,200
Business premises	40,000
Creditors	26,600
Opening stock	44,000
Debtors	36,000
Rent from tenants	2,000
Purchases	2,20,000
Discount(cr)	800
Taxes and Insurance	4,000
General expenses	8,000
Salaries	18,000
Commission allowed	4,400
Carriage on purchases	3,600
Provision for Doubtful debts	1,000
Bad debts written off	1,600

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Adjustments:

- a. Stock on hand on 31.12.2019 was estimated as Rs.40,120.
- b. Write off depreciation on business premises Rs.600 and furniture Rs.520.
- c. Make a provision of 5% on debtors for bad & doubtful debts.
- d. Allow interest on capital at 5% and carry forward Rs.1,400 for unexpired insurance.

Prepare Final accounts for the year ended 31.12.2019.

11. Sanjay purchased a machine for Rs.80,000 On 1.1.18. On 1.7.2018 additions were made for Rs.40,000. On 1.4.2019, Rs.10,000 worth of additions was made. On 31.12.20, the machinery purchased on 1.7.2018 was sold for Rs.33,000. Show Machinery account from 2018 to 2020 in the books of Sanjay under diminishing balance method at 10% per annum. Accounts are closed at 31st December every year.
12. Praveen keeps his books on Single Entry System. From the following particulars prepare Trading and Profit and Loss a/c and Balance Sheet for the year ended 31.12.2020.

On 1.1.2020 his assets and liabilities were as follows:

Stock	50,000
Debtors	60,000
Machinery	60,000
Furniture	5,000
Sundry creditors	30,000
Bank o/d	10,000

The cash book gives the following information:

Receipts from debtors	80,000
Cash sales	30,000
Payment to creditors	40,000
Cash purchase	25,000
Interest on bank OD	1,500
Discount allowed to debtors	4,000
Discount from creditors	2,500
Salaries	5,000
Drawings	4,000
General expenses	8,000
Rent	2,200
Sales return	3,000
Purchase return	1,500

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His position as on 31.12.2020

Stock	45,000
Debtors	70,000
B/R	6,000
B/P	4,000
Machinery	60,000
Furniture	5,000
Sundry creditors	25,000
Salary outstanding	500

Write off depreciation at 10% on Machinery and 6% on furniture.

13. Mr.Kumar purchased a car for Rs.1,65,000 on 1-1-2017 under the hire purchase system to be paid as Rs.50,000 down payment and 3 equal instalments of Rs.50,000 each at the end of each year. Interest is charged at 15% p.a. and depreciation on straight line basis at 5%. From the above particulars pass journal entries in the books of "Kumar' and Hire vendor.
