

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.A. END SEMESTER EXAMINATIONS NOVEMBER-2022
SEMESTER -III
20UECAT3003 - Basic Financial Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

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

1. Write about the any three concepts of accounting.
2. Write the journal entries for the following transactions
 - January 1: Started business with cash Rs.50,000, Furniture Rs.25,000 and stock Rs.20,000
 - January 5: Purchased goods costing Rs.2,00,000
 - January 7: Purchased goods on credit from Mr.Bhatta Rs.50,000
 - January 9: Purchased goods for cash 50000 and credit for Rs.10,000
 - January 10: Sold goods for cash Rs.1,50,000
 - January 11: Sold goods to Mr.Shrestha Rs.35,000
3. Draw a specimen trail balance with imaginary figures.
4. From the following particulars, find out the errors in cash book and bank statement and prepare Bank Reconciliation Statement as on 31-05-2016 for Anand Sugar Mill Ltd.,:
 - i. Balance as per bank statement overdraft of Rs.2,118.
 - ii. The debit side of the cash book had been undercast by Rs.300.
 - iii. A cheque for Rs.182 drawn for the payment of telephone bill had been entered in the cash book as Rs.281 but was shown correctly in the bank statement.
 - iv. A cheque for Rs.210 by the customer having been deposited into bank was dishonored by the bank.
 - v. A cheque was credited twice in Cash Book for worth Rs.3,000.
 - vi. A Dividend of worth Rs.90 had been collected by the bank but not recorded in the cash book.
5. Prepare Trading and Profit and Loss account on M/s Victory Traders from the following balances as on March 31, 2011.

Debit Balances	Amt. (Rs.)	Credit Balances	Amt. (Rs.)
Stock	20,000	Sales	2,45,000
Cash	5,000	Creditors	10,000
Bank	10,000	Bills Payable	4,000
Carriage on Purchase	1,500	Capital	2,00,000
Purchase	1,90,000	Drawings	9,000
Wages	55,000	Machinery	1,00,000
Debtors	27,000	Postage	300
Sundry Expenses	1,700	Rent	4,500
Furniture	35,000		

Closing Stock Rs.8,000.

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6. Salman and Usman Bros., acquired a machine on July 1, 2008 at a cost of Rs.70,000 and spent Rs.5,000 on its installation. The firm writes off depreciation @ 10% on straight line method. The books are closed on December 31 every year. Show the machinery and depreciation account for three years.
7. Distinguish between Single entry and Double Entry System.
8. Ram Prashad keeps his books on Single Entry System and from them and the particulars supplied, the following figures were gathered together on 31st March, 2018: 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 1st April with cash Rs.6000 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.

Section B

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Describe the concepts of accounting.
10. List out the causes for the difference between the balances shown by cash book and pass book.
11. Prepare a trading and P & L A/c for the year ending 31.03.2001 and a balance sheet as on that date from the following trial balance:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Opening Stock	16,000	
Capital		45,000
Salaries	13,000	
Drawings	4,000	
Carriage Inwards	500	
Carriage Outwards	1,000	
Sales Return	1,000	
Purchase Return		700
Loan to Mr. X	11,000	
Loan from Mr. Y		7,000
Rent	1,300	
Rent Outstanding		200
Purchase	40,000	
Sales		73,100
Debtors	25,000	
Creditors		8,000
Bad Debt	800	
Reserve for Bad Debt		1,200
Discount Allowed/Received	600	300
Furniture	11,700	
Wages	500	
Insurance Premium	1,200	
Rent by Sub-letting		800
Cash	700	
Bank	8,000	
Total	1,36,300	1,36,300

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Adjustments

- i. Closing Stock Rs.9,500.
 - ii. Insurance premium prepaid Rs.200.
 - iii. Depreciation is to be provided at 5% on furniture.
 - iv. Goods worth Rs.500 have been taken by the proprietor for private use.
 - v. Bad and doubtful debts are to be provided at 10%.
12. A company purchased on 1st April, 2009, a machinery for Rs.80,000. On 1st October, 2010, it purchased another machine for Rs.50,000 and on 1st October, 2011, it sold off the first machine purchased in 2009 for Rs.23,000. Depreciation was provided on the machinery at the rate of 20% p.a. on the original cost annually. Give the Machinery Account for four years commencing from 1st April, 2009. Accounts are closed on 31st March every year.
13. From the following information, ascertain the opening balance of Sundry Debtors and the closing balance of Sundry Creditors:

	Rs.
Sundry Creditors as on 31 st March, 2017	20,600
Sundry Debtors as on 31 st March, 2018	37,400
Stock as on 31 st March, 2017	26,000
Stock as on 31 st March, 2018	24,000

During the year ended 31st March, 2018:

Purchases	1,10,000
Discount allowed by creditors	800
Discount allowed to customers	1,100
Cash paid to sundry creditors	95,000
Bills Payable issued by them	14,000
Bills Receivable received from customers	16,500
Cash received from customers	1,30,000
Bills receivable dishonoured	1,900
