

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.(ECO) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - III

**20UECAT3003 - Basic Financial Accounting**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

### **Section B**

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

1. Enumerate the Disadvantages of Double entry system of Book keeping.
2. State the difference between Trial Balance and Balance sheet.
3. A machine purchased on 1<sup>st</sup> July 2013 at a cost of Rs.14,000 and Rs.1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31<sup>st</sup> December each year. The machine was sold for Rs.9,500 on 31<sup>st</sup> march 2016. Show the machinery account for all the three years.
4. List out the salient features of single-entry system.
5. The bank overdraft of Rajni on 31.3.2022, as per cash book is Rs.9,000. From the following particulars prepare Bank Reconciliation statement.

<b>Particulars</b>	<b>Amount</b>
Unpresented cheque	3,000
Uncleared Cheque	1,700
Bank Interest debited in the pass book only	500
Bill collected and credited in the pass book only	800
Cheque of Renu Dishonoured	500
Cheque issued to Sekar entered in the cash column of cash book	300

6. Prepare Trading account of Archana for the year ending 31.12.2016 from the following information:

<b>Particulars</b>	<b>Amount</b>
Opening stock	80,000
Purchases	8,60,000
Forward freight	52,000
Wages	24,000
Sales	1,44,0000
Purchase returns	10,000
Sales returns	3,16,000
Closing stock	1,00,000
Import duty	30,000

**Contd...**

7. Explain the Merits and Demerits of Straight line method of depreciation.
8. Mr.R keeps his books on single entry basis. Prepare a statement of affairs as on 31.10.2022 and a statement of profit or loss for the period ending 31.10.2022.

Particulars	1.1.2021	31.10.2022
Bank Balance	560	350
Cash on hand	10	50
Debtors	4,500	3,600
Stock	2,700	2,900
Plant	4,000	4,000
Furniture	1,000	1,000

Mr.R has withdrawn Rs.2,000 during the year and had introduced fresh capital of Rs.4,200 on 1.7.2022. A provision of 5% on debtors is necessary. Write off depreciation on plant at 10% and Furniture at 15%. Interest on capital is to be allowed at 5%.

### Section C

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

9. How do you classify accounting concepts?
10. a. Prepare Trial balance from the following (N):

	Rs.		Rs.
Drawings	6,000	Salaries	9,500
Capital	24,000	Sales returns	1,000
Sundry creditors	43,000	Purchase returns	1,100
Bills payable	4,000	Travelling expenses	4,600
Sundry debtors	50,000	Commission paid	100
Bills receivable	5,200	Trading expenses	2,500
Loan from Karthick	10,000	Discount earned	4,000
Furniture and fixtures	4,500	Rent	2,000
Opening stock	47,000	Bank overdraft	6,000
Cash at bank	900	Purchases	70,800
Cash in hand	12,500		
Tax	3,500		
Sales	1,28,000		

- b. Give the objectives of Trial Balance.

11. Prepare Trading, Profit and Loss A/c and Balance sheet from the following trial balance of Mr. Madan.

<b>Debit balances</b>	<b>Rs.</b>	<b>Credit Balances</b>	<b>Rs.</b>
Sundry debtors	92,000	Madan's Capital	70,000
Plant and machinery	20,000	Purchase returns	2,600
Interest	430	Sales	2,50,000
Rent and Insurance	5,600	Sundry creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales returns	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Madan's drawings	22,000		
Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture	10,000		
Cash in hand	2,060		
	<b>4,02,600</b>		<b>4,02,600</b>

Adjustments:

- Closing stock Rs.90,000.
  - Provide depreciation on premises at 2.5%, Plant and Machinery at 7.5% and Furniture at 10%.
  - Write off Rs.800 as further bad debts.
  - Provide for doubtful debts at 5% on sundry debtors.
  - Outstanding rent was Rs.500 and wages Rs.400.
  - Prepaid insurance Rs.300 and Salaries Rs.700.
12. George Co. Ltd purchased a machine on 1<sup>st</sup> January 1995 for Rs.50,000. On 1<sup>st</sup> July 1995 further machinery was purchased for Rs.25,000. On 1<sup>st</sup> July 1996 a machinery purchased on 1<sup>st</sup> January 1995 have become obsolete, was sold off for Rs.20,000. Depreciation has to be charged at 20% on the original cost assuming that the accounts are closed every year on 31<sup>st</sup> December.
- You are required to prepare
- Machinery a/c
  - Provision for Depreciation a/c.
13. Distinction between Statement of Affairs and Balance Sheet.

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