

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. END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - I

**20UCOCT1001 - Financial Accounting - I**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

- Briefly explain Accounting Standard (AS 5 & 10).
- A company means the following expenditure during the year 2015-16. Determine the amount to be capitalised under AS - 10. Accounting for fixed assets.
  - Rs.4,00,000 for white washing factory and office buildings.
  - Rs.2,00,000 for purchase of Machinery from Bombay.
  - Rs.2,00,000 for transporting the machines and installing them.
  - Rs.1,00,000 for maintenance of the new machinery.
  - Rs.6,00,000 for erecting a workshop in the factory.
- The following errors were found in the books of Prabhakar & Sons. Give the necessary entries to correct them:
  - Salary of Rs.1,000 paid to Mohan due to him has been debited to his personal account.
  - Rs.1,500 paid in cash for a typewriter was charged to office expenses account.
  - Rs.5,000 paid for furniture purchased has been charged to purchases account.
  - Repairs made were debited to Building Account for Rs.250.
  - An amount of Rs.500 withdrawn by the proprietor for his personal use has been debited to trade expenses account.
  - Rs.200 received from Shanthi & Co., has been wrongly entered as from Shajahan & Co.
- The bank overdraft of Rajini on 31-12-2019 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement:
 

	<b>Rs.</b>
i) Unpresented cheque	3,000
ii) Uncleared cheque	1,700
iii) Bank interest debited in the pass book only	500
iv) Bill collected and credited in the pass book only	800
v) Cheque of Renu dishonoured	500
vi) Cheques issued to Sekar entered in the Cash column of cash book	300
- A company acquired a machine on 1.1.18 at a cost of Rs.40,000 and spent Rs.1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31<sup>st</sup> December of each year. Show the Machinery A/C for 3 years.

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6. Mr.Kannan purchased goods from Raman, the due dates for payment in cash being as follows:

Date	Rs.	Due Date
15 <sup>th</sup> March	1,000	18 <sup>th</sup> April
21 <sup>st</sup> April	1,500	24 <sup>th</sup> May
27 <sup>th</sup> April	500	30 <sup>th</sup> June
15 <sup>th</sup> May	600	18 <sup>th</sup> July

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain the date.

7. What is single entry? Explain the salient features of single entry.
8. Mohan, a retail merchant commenced business with a capital of Rs.12,000 on 1.1.2014. Subsequently on 1.5.2014 he invested further capital of Rs.5,000. During the year, he has withdrawn Rs.2,000 for his personal use. On 31.12.2014, his assets and liabilities were as follows: -

**Rs.**

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 2014.

### Section C

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

9. What are the accounting concepts and conventions?
10. From the following Trial Balance extracted from the books of Kamalnath prepare Trading and profit & Loss A/c and Balance Sheet for the year ended 31-12-2017.

Debit Balances	Rs.	Credit Balances	Rs.
Cash at Bank	2,610	Creditors	4,700
Book Debts	11,070	Discounts	150
Salaries	4,950	Creditors for	400
Carriage inwards	1,450	expenses	
Carriage outwards	1,590	Return outwards	2,520
Bad debts	1,310	Sales	80,410
Office expenses	5,100	Capital	40,000
Purchases	67,350		
Return inwards	1,590		
Furniture & Fixtures	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on Property	1,200		
Freehold Property	10,800		
	<b>1,28,180</b>		<b>1,28,180</b>

Adjustments:

- i) Make provision for doubtful debts at 5%
- ii) Calculate discount on creditors @ 2%
- iii) Office expenses include stationery purchased Rs.800
- iv) Carriage Inwards includes carriage paid on purchase of furniture Rs.50
- v) Outstanding salaries Rs.150
- vi) Prepaid insurance Rs.300
- vii) Stock on hand Rs.10,700 (including stationery stock Rs.200).

**SEMESTER - I**  
**20UCOCT1001 - Financial Accounting - I**

11. Bank balance of Rs.40,000 showed by the cash book of Atul on December 31,2016. It was found that three cheques of Rs.2,000 Rs.5,000 Rs.8,000 deposited during the month of December were not credited in the passbook till January 02, 2017. Two cheques of Rs.7,000 and Rs.8,000 issued on December 28, were not presented for payment till January 03,2017. In addition to it bank had credited Atul for Rs.325 as interest and had debited him with Rs.50 as bank charges for which there were no corresponding entries in the cash book. Prepare a bank reconciliation statement as on December 31, 2016.
12. A company whose accounting year is the calendar year, purchased on 1-1-13 a machine for Rs.40,000. It purchased further machinery on 1<sup>st</sup> Oct 2013 for Rs.20,000 and 1<sup>st</sup> July for Rs.10,000. On 1-7-2015, 1/4<sup>th</sup> of the machinery installed on 1-1-2013 became obsolete and was sold for Rs.6,800. Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing Balance method. Depreciation is to be provided at 10% p.a.
13. From the following figures, you are required to calculate total sales:

	<b>Rs.</b>
Bills receivable in the beginning	78,000
Debtors in the beginning	3,08,000
Bills receivable encashed during the year	2,09,000
Cash received from Debtors	7,00,000
Bad debts written off	28,000
Returns inward	87,000
Bills receivable dishonoured	18,000
Bills receivable at the end	60,000
Debtors at the end	2,55,000
Credit sales (as per cash book)	4,09,000

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