

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.(Honours) - END SEMESTER EXAMINATIONS NOVEMBER - 2022  
 SEMESTER - I  
**20UBHCT1001 - Financial accounting I**

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

**Section A**

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

1. Define Accounting. Explain the Objectives of Accounting.
2. Form the following trial balance, Prepare trading and profit and loss account for the year ending 31.12.2001 and a balance sheet on that date:

Particulars	Debit Rs.	Credit Rs.
Capital	-	4,250
Drawings	710	-
Plant and machinery	950	-
Stock as 1 <sup>st</sup> Jan	1,460	-
Purchases and Sales	10,362	11,906
Purchases and Sales Return	210	291
General Expenses	440	-
Rent	120	-
Rates	200	-
Apprentice Premium	-	80
Bank overdrafts	-	240
Bad debts	172	-
Debtors and Creditors	4,200	2,000
Cash in hand	48	-
Bad debts reserve	-	105
	18,872	18,872

Make the provision for the following:

- i. Depreciate plant and machinery at 10% p.a
  - ii. Increases bad debts reserve to 5 % on sundry debtors.
  - iii. Rent accrued is Rs.40.
  - iv. Rates of Rs.80 are paid in advance.
  - v. Stock in hand as on 31st Dec is Rs.1,700.
3. The following information were obtained from the books of Delhi Club as on 31<sup>st</sup> March, 2019 at the end of the first year of the Club, prepare Receipts and Payment Account for the year ending 31<sup>st</sup> March, 2019:

**Contd...**

<b>Receipts</b>	<b>(Rs.)</b>	<b>Payments</b>	<b>Rs.</b>
Donation for Building and Library Room	2,00,000	Purchase of Land	10,000
Entrance Fees	17,000	Purchase of Furniture	1,30,000
Subscription	19,000	Salaries	4,800
Lockers Rent	1,660	Maintenance of Play Ground	1,000
Refreshment Receipts	16,000	Rent	8,000
Government Grant	25,000	Refreshment Payments	8,000
		Library Books	25,000
		Purchase of 90% Government Bonds	1,60,000
		Term Deposit with Bank	15,000

4. The bank overdraft of Stephen on 31-12-2014 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement.
- Unpresented cheque Rs.3,000
  - Uncleared cheque Rs.1,700
  - Bank interest debited in the pass book only Rs.500
  - Bills collected and credited in the pass book only Rs.800
  - Cheque of Renu dishonoured Rs.500
  - Cheques issued to sekar entered in the cash column of cash book Rs.300
5. Explain the different classification of errors.
6. On July 01, 2010, Ashok Ltd., Purchased a Machine for Rs.1,08,000 and spent Rs.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 Rs.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 account are closed on December 31<sup>st</sup>, every year.
7. R owes S the following sums of the money due from him on the dates stated:
- Rs.300 due on March 9,1993
  - Rs.1,000 due on April 2, 1993
  - Rs.4,000 due on April 30,1993
  - Rs.100 due on June 1,1993.
- He wants to make the complete payment on 30-6-93. Calculate interest at 5% P.a with the help of average due date.
8. State briefly the need for providing depreciation.

**Contd...**

**Section B**

**Part A**

Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. From the following transactions Prepare necessary ledger accounts in the books of Mr. Joshi and balance the same.
- 2011 July 1 Started Business with Cash Rs 8,000.
- 4 Purchased goods on credit from Mr.Desmukh Rs 3,000 at 10% T.D.
- 6 Cash Sales Rs.4,000 at 5% C.D.
- 10 Paid Rent Rs.900.
- 15 Cash Purchases Rs.800.
- 20 Credit sales to Mr.Kulkarni Rs.2,700.
- 22 Paid cash to Mr.Deshmukh Rs.2,700.
- 23 Received cash from Mr.Kulkarni Rs.1,000.
- 31 Paid wages Rs.500.
10. Income and Expenditure Account of the Kanniyakumari Sports Club for the year ended 31<sup>st</sup> March, 2015 is as follows.

Dr.		Cr.	
Receipts	Amount Rs.	Payments	Amount Rs.
To Salaries	24,750	By Subscriptions	37,500
To General expenses	500	By Entrance fees	250
To Audit fees	1,250	By Contribution for annual dinner	11,000
To Secretary's Honorarium	1,000	By Profit on annual sports meet	750
To Stationery and printing	450		
To Annual Dinner expenses	11,500		
To Interest and bank charges	150		
To Depreciation	9,300		
To Excess of income over expenditure	600		
	49,500		49,500

This account had been prepared after the following adjustments:

Subscriptions outstanding on 31<sup>st</sup> March 2014 Rs.600.

Subscription received in advance on 31<sup>st</sup> March 2014 Rs.450.

Subscription received in advance on 31<sup>st</sup> March 2015 Rs.270and

Subscription outstanding on 31<sup>st</sup> March 2015 Rs.750

Salaries outstanding on 31<sup>st</sup> March 2013 and 31<sup>st</sup> March 2015 were respectively Rs.2,000 and Rs.2,250.

General expenses include insurance prepaid to the extent of Rs.60.

Audit fees for 2014-2015 are yet unpaid, during 2014-2015.

Audit fees for 2013-2014 were paid amounting to Rs.1,000.

The club owned a freehold lease of ground valued at Rs.10,000.

The club has sports equipment on 1<sup>st</sup> April 2014 valued at Rs.12,600.

At the end of the year, after depreciation, this equipment amounted to Rs.13,700.

**Contd...**

In 2013 – 2014 the club had raised a bank loan of Rs.2,000. This was outstanding throughout 2014 – 2015.

On 31<sup>st</sup> March, 2015 cash in hand amounted to Rs. 1,600.

Prepare Receipts and Payments Account for the year ended 31<sup>st</sup> March 2015 and the balance sheet at end of the year.

11. The cash book of Mr. Selvakumar showed a bank balance on Rs.2,760 on 31.7.2009. On comparison with the bank pass book the following particular were ascertain.

1. Cheque paid but not yet credited in the pass book Rs.6,000.
2. Cheque issued but not yet presented for payment Rs.2,500.
3. Life insurance premium limited by the bank but not yet entered in the cash book Rs.8,320.
4. Interest on debenture collected by the bank in pass book only Rs.6,000.
5. Bank column on the credit side of the cash book undercast by Rs.110.
6. Bank charges entered in the pass book only Rs.70.

Prepare Bank Reconciliation Statement.

12. Saraswati Ltd., purchased a machinery costing Rs.10,00,000 on January 01, 2011. A new machinery was purchased on 01 May, 2012 for Rs.15,00,000 and another on July 01, 2014 for Rs.12,00,000. A part of the machinery which originally cost Rs.2,00,000 in 2011 was sold for Rs.75,000 on April 30, 2014. Show the machinery account, provision for depreciation account and machinery disposal account from 2011 to 2015 if depreciation is provided at 10% p.a. on original cost and account are closed on December 31, every year.

## Part B

Compulsory question (1 × 10 = 10 Marks)

13. The following are the balances extracted from the books of Mrs.Suguna as on 31<sup>st</sup> March, 2014

Debit balances	Amount Rs.	Credit balances	Amount Rs.
Drawings	40,000	Capital	2,00,000
Cash at bank	17,000	Sales	1,60,000
Cash in hand	60,000	Sundry creditors	45,000
Wages	10,000		
Purchases	20,000		
Stock (31.3.2013)	60,000		
Buildings	1,00,000		
Sundry debtors	44,000		
Bills receivable	29,000		
Rent	4,500		
Commission	2,500		
General expenses	8,000		
Furniture	5,000		
Machinery	5,000		
	<b>4,05,000</b>		<b>4,05,000</b>

### Adjustments:

- a. Closing stock of Rs.40,000 valued as on 31.03.2014
- b. Interest on capital at 6% to be provided
- c. Interest on drawings at 5% to be provided
- d. Depreciate buildings at the rate of 10% per annum
- e. Write off bad debts Rs.1,000
- f. Wages yet to be paid Rs.500

Prepare Trading and Profit & Loss account and Balance Sheet as on 31<sup>st</sup> March 2014.

\*\*\*\*\*