

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 APRIL - 2023
SEMESTER - I

20UBHCT1001 - Financial Accounting - I

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. What is Single Entry? Explain its features.
2. From the books of Kalyani show how the relevant items would appear in ledger, P&L a/c and balance sheet as on Dec.31.2017:

Jan 1	Provision for Bad & Doubtful debts	Rs.12,000
	Provision for discount on debtors	Rs.5,600
Dec 31	Discounts allowed during the year	Rs.9,300
	Bad debts written off during the year	Rs.4,700
	Bad debts recovered during the year	Rs.250
	Debtors	Rs.1,00,600

Write off further bad debts Rs.2,400. Provision for discount allowed @ 2% and for doubtful debts @ 10% are to be maintained.

3. Compute the expenditure to be shown in Income and Expenditure Account from the following:

Particulars	Rs.
(A) Sports materials purchased for cash	20,000
Opening stock for sports materials	5,000
Closing stock for sports materials	8,000
Opening creditors for sports materials	7,000
Cash paid to creditors for sports materials	22,000
Closing creditors for sports materials	6,000
(B) Stationery purchased during the year	40,000
Opening stock of Stationery	8,000
Closing stock of Stationery	9,000

4. Rectify the following errors :
 - a. Purchases book is carried forward Rs.850 less.
 - b. Sales book total is carried forward Rs.2,500 more.
 - c. A total of Rs.7,580 in the purchases book has been carried forward as Rs.8,570.
 - d. The total of the sales book Rs.7,550 on page 20 was carried forward to page 21 as Rs.5,570.
 - e. Purchases return book was carried forward as Rs.1,520 instead of Rs.5,120.

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5. George Co.Ltd purchased a machine on 1st January 2019 for Rs.50,000. On 1st July 2019 further machinery was purchased for Rs.25,000. On 1st July 2020, the machinery purchased on 1st January 2019 having 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 31st December. You are required to prepare:

(a) Machinery A/c; (b) Provision for Depreciation A/c.

6. Mr.John accepted the following bills by Mr.Joe and wants to make a Single payment. Find out the Average Due date.

Date of Bill	Due Date	Amount
16.2.2019	19.4.2019	6,000
28.2.2019	30.4.2019	2,000
03.3.2019	06.5.2019	9,000
15.3.2019	18.5.2019	3,000

7. Explain the difference between book keeping and Accounting.

8. The ABC club gives you its Receipts and Payments A/C for 2019. Prepare Income and Expenditure A/C.

To balance b/d	1,200	By sports equipment	3,500
To subscription	15,300	By rent	1,000
To sales of newspaper	300	By cost of entertainment	10,100
To donations for buildings	10,100	By miscellaneous expenses	800
To sale of furniture	600	By investments	10,000
		By balance c/d	2,100
	27,500		27,500

Investments consisted of 4% Govt.Loan and were purchased on 1.1.2019.

Subscription included Rs.700 for 2018 and Rs.200 for 2020. Subscription for 2019 still receivable were Rs.1,500 but of these Rs.200 were considered doubtful.

Section C

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. Classify the Accounting concepts.

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10. The Delhi football club gives you the following Receipts and Payments A/c for the year ended 31.12.2018

Receipts	Rs.	Payments	Rs.
To donations	50,000	By pavilion office (constructed)	40,000
To reserve fund (life membership & entrance fees received)	4,000	By expenses in connection with matches	900
To receipts from football	8,000	By furniture	2,100
Revenue receipts:		Revenue Payments :	
To subscription	5,200	By salaries	1,800
To lockers rents	50	By wages	600
To interest on securities	240	By insurance	350
To sundries	350	By telephone	250
		By electricity	110
		By sundry expenses	210
		By balance in hand	5,520
		By investment at cost	16,000
	67,840		67,840

Additional information:

- i. Subscriptions outstanding for 2018 are Rs.250.
- ii. Salaries unpaid for 2018 Rs.170.
- iii. Wages unpaid for 2018 are Rs.90.
- iv. Outstanding bill the sundry expenses is Rs.40.
- v. Donations received have to be capitalised.

Prepare from the details given above Income and expenditure A/c for the year ended 31.12.2018 and the balance sheet of the association as on the date.

11. A Machinery was purchased on 1st January 2019 at a cost of Rs.28,000 and spent Rs.4,000 on its Installation. Depreciation is to be provided at 10% on the original cost. The books are closed on 31st December each year. The Machinery was sold for Rs.12,000 on 31st March 2022. Prepare the machinery account.
12. Prepare a bank reconciliation statement from the following data as on 30.11.2017:
- a. Balance as per pass book as on 30.11.2017 overdrawn Rs.18,408.
 - b. Cheques drawn on 30.11.2017 but not cashed till Dec 2017 Rs.6,450; Rs.1,490; Rs.1,852
 - c. Bank overdraft interest charged on 28.11.2017 not entered in cash book Rs.3,220.
 - d. Cheques received on 29.11.2017 entered in cash book, but not deposited into bank till 31.12.2017 Rs.22,644 and Rs.3,640.

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- e. Cheque received amounting to Rs.70 entered in the cash book twice.
- f. Bills receivable due on 29.11.2017 was sent to bank for collection on 28.11.2017 and was entered in cash book forthwith but the proceeds were not credited in bank pass book till 3rd Dec 2017 Rs.5,960.
- g. A periodic payment by bank for Rs.160 under standing instruction not entered in cash book.
- h. Cheque deposited on 30th Nov 2017 dishonoured but the entry there of was not made in the cash book Rs.3,780.

II - Compulsory question (1 × 10 = 10 Marks)

13. Prepare Trading, P&L A/c and Balance sheet from the following Trail Balance of Mr.Mani:

Debit	Rs.	Credit	Rs.
Debtors	92,000	Mani's capital	70,000
Plant & machinery	20,000	Purchase returns	2,600
Interest	430	Sales	2,50,000
Rent & rates	5,600	Creditors	60,000
Travelling charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales returns	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Mani'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	2060		
	4,02,600		4,02,600

Adjustments :

- (i) Stock as on 31.12.2019 Rs.90,000.
- (ii) Provide depreciation on premises at 2.5%; plant & machinery at 7.5%; furniture at 10%.
- (iii) Write off Rs.800 as bad debts.
- (iv) Provide for doubtful debts at 5% on debtors.
- (v) Outstanding rent as Rs.500 and wages Rs.400.
- (vi) Prepaid insurance Rs.300 and salaries Rs.700.
