

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 NOVEMBER -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. What is meant by Double Entry Accounting System?
2. Prepare a Trading Account, a profit and Loss Account and a Balance sheet from the following information.

Particulars	Rs.	Particulars	Rs.
Opening stock	30,000	Purchases	20,000
Sales	50,000	Capital	1,00,000
Salary	8,000	Bills Payable	5,000
Stationery	7,000	Closing stock	40,000
Bills Receivable	40,000	Building	50,000

3. A Company purchased a Machinery for Rs.50,000. Its installation cost amounted to Rs.10,000. Its estimated life is 5 years and the scrap value is Rs.5,000. Calculate the Amount of Depreciation and the Rate of Depreciation.
4. Form the following details, find out Credit Purchases.

	Rs.
Opening Balance of Sundry Creditors	50,000
Closing Balance of Sundry Creditors	60,000
Cash paid to Creditors	2,65,000
Discount Received	15,000
Purchase Returns	15,000

5. Prepare a Bank Reconciliation Statement as on 31st December 2000.
 - a) Balance as per cash book Rs.8,400.
 - b) Cheques issued but not presented for payment Rs.615.
 - c) Cheques deposited into bank but not credited in the pass book Rs.440.
 - d) Bank charges debited in the pass book Rs.60.
 - e) Interest credited by the bank but not recorded in the cash book Rs.75.
6. Prepare a Trading Account from the following information

Particulars	Rs.	Particulars	Rs.
Opening stock	3,00,000	Purchases	3,00,000
Sales	6,00,000	Sales Return	50,000
Coal & Fuel	50,000	Import Duty	50,000
Carriage Inwards	60,000	Closing Stock	3,80,000
Wages	1,30,000		

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7. A Machinery was Purchased on 1st January 2010 at a cost of Rs.28,000 and spent Rs.4,000 on installation. Depreciation is to be provided at 10% on the original cost. The book are closed on 31st December each year. The Machinery was sold for Rs.12,000 on 31st March 2013. Prepare the Machinery Account.
8. Mr.S started a firm on 1st April 2015 with an initial Capital of Rs.10,00,000. He withdrew Rs.2,00,000 during the year. He also introduced additional capital amounting to Rs.1,50,000 into the business. On 31st March 2016, his position was as follows.
Furniture Rs.3,40,000, Creditors Rs.6,00,000, Debtors Rs.7,00,000, Stock Rs.9,40,000, Cash Rs.6,00,000. Ascertain his Profit or Loss during the year.

Section C

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

9. What are accounting conventions? Explain them.
10. Mr.Kannan furnishes the following particulars relating to his business. You are required to: a) Pass Journal Entries b) Prepare Ledger accounts

Date	Particulars	Rs.
01.10.2011	Kannan started the business with cash	50,000
09.10.2011	Paid cash into bank	20,000
10.10.2011	Purchased goods for cash	4,000
12.10.2011	Goods sold for cash	3,000
14.10.2011	Withdrawn form bank for office use	3,000
16.10.2011	Purchased goods from Ram	4,000

11. Mr.Ganesh provides the following information as on 31st December 2005. Prepare Trading, Profit & Loss Account and Balance sheet as on that date.

Trial Balance as on 31.12.2005

Particulars	Debit (Rs.)	Credit (Rs.)
Drawings	4,000	
Sundry Debtors	4,400	
Bills Receivable	2,900	
Machinery	500	
Opening Stock	6,000	
Cash in Hand	9,200	
Purchases	2,000	
Commission	250	
General Expenses	800	
Buildings	10,000	
Wages	1,000	
Rent	450	
Capital		20,000
Sundry Creditors		5,500
Sales		16,000
	41,500	41,500

Adjustments:

- Closing stock Rs.4,000
- Interest on capital @ 6%
- Interest on drawings @ 5%
- Wages outstanding Rs.100
- Prepaid rent Rs.150

12. Ms.Devi purchased a new Machinery on 1st April 2009 for Rs.3,60,000. On 1st October 2009, another Machinery was purchased for Rs.1,80,000. On 30th September 2010, the second machine was sold for Rs.2,60,000. Rate of depreciation to be provided at 10% under diminishing balance method. Books are closed on 31st March every year. Prepare Machinery Account for three years.
13. Mrs.Malathy maintained her account books on single entry system. On 1st April 2013, her capital was Rs.2,50,00

Additional information:

Particulars	Rs.
Opening Stock	1,25,000
Cash Received form Sundry Debtors	25,000
Cash Sales	1,00,000
Cash Paid to Sundry Creditors	30,000
Opening Sundry Debtors	20,000
Opening Sundry Creditors	91,500
Business Expenses	60,400
Freehold Premises (31.12.2014)	2,00,000
Furniture (31.12.2014)	3,600
Closing Stock	1,30,000
Closing Sundry Debtors	40,000
Closing Sundry Creditors	1,00,000
Closing Cash Balance	27,500

Prepare Trading and Profit & Loss Account for the year ended 31st March 2014 and Balance sheet as on that date.
