

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 NOVEMBER -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)

1. What are the Five Accounting Principles?
2. What is the objective of Accounting Standards?
3. Rectify the following errors:
  - (a) Purchase Book is over cast by Rs.300 (for the month of March)
  - (b) Sales book has been under cast by Rs.200
  - (c) Purchase Returns Book has been over cast by Rs.75
  - (d) Sales Returns Book has been under cast by Rs.50
4. Prepare Trading Account of Archana for the year ending 31-12-96 from the following information:

Opening Stock	80,000		
Purchases	8,60,000		
Freight Inward	52,000		
Wages	24,000	Sales	14,40,000
Purchase Returns	10,000	Sales Returns	3,16,000
Closing Stock	1,00,000	Import duty	30,000
5. The bank overdraft of Rajini on 31-12-93 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement.
  - (a) Unpresented cheque 3,000
  - (b) Uncleared cheque 1,700
  - (c) Bank interest debited in the pass book only 500
  - (d) Bill collected and credited in the pass book only 800
  - (e) Cheque of Renu dishonoured 500
  - (f) Cheques issued to sekar entered in the cash column of cash book 300
6. A Company purchased a plant for Rs.50,000. The useful life of the plant is 10 years and the residual value is Rs.10,000. Find out the rate of depreciation under the straightline method.
7. Difference between Single entry and Double entry system.

**Contd...**

8. Mohan, a retail merchant commenced business with a capital of Rs.12,000 on 1.1.94. Subsequently on 1.5.94 he invested further capital of Rs.5,000. During the year, he has withdrawn Rs.2,000 for his personal use. On 31.12.94, his assets and liabilities were as follows:

Cash at Bank	3,000
Debtors	4,000
Stock	16,000
Furniture	2,000
Creditors	5,000

### Section C

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

9. Define Accounting Standard. What is the need for Accounting Standard?
10. Prepare Trading, Profit and Loss A/c and Balance sheet from the following Trial Balance of Mr.M.Madan.

Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors	92,000	Madan's Capital	70,000
Plant & Machinery	20,000	Purchase Returns	2,600
Interest	430	Sales	2,50,000
Rent, Rates, Taxes & 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 Drawing	22,000		
Trade Expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture & Fixtures	10,000		
Cash in hand	2,060		
	<b>4,02,600</b>		<b>4,02,600</b>

Adjustments:

- Stock on hand on 31-12-96 Rs.90,000.
- Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and furniture & fixtures at 10%
- Write off Rs.800 as further bad debts.

- d) Provide for doubtful debts at 5% on sundry debtors.
  - e) Outstanding rent was Rs.500 and Outstanding wages Rs.400.
  - f) Prepaid insurance Rs.300 and prepaid salaries Rs.700.
11. Prepare a bank reconciliation statement from the following data as on 31-12-1995
- a) Balance as per cash book Rs.12,500
  - b) Cheques issued but not presented for payment Rs.900
  - c) Cheques deposited in bank but not collected Rs.1,200
  - d) Bank paid insurance premium Rs.500
  - e) Direct deposit by a customer Rs.800
  - f) Interest on investment collected by bank Rs.200
  - g) Bank charges Rs.100
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, the machinery purchased on 1<sup>st</sup> January 1995 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 31<sup>st</sup> December. You are required to prepare:
- a) Machinery A/c
  - b) Provision for Depreciation A/c
13. Mr.Mano keeps his books of Accounts under single entry system. His financial position on 31.12.90 and 31.12.91 was as follows

Particulars	1990 (Rs.)	1991 (Rs.)
Cash	9,860	800
Stock in trade	38,520	57,020
Plant & Machinery	54,420	61,000
Bills Receivable	-	16,480
Sundry Debtors	24,840	43,940
Sundry Creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-	5,000

During the year he introduced additional capital of Rs.20,000.

From the above particulars prepare a statement of Profit and Loss of Mr.Mano for the year ended 31.12.91.

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