

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.(CS) END SEMESTER EXAMINATIONS NOVEMBER -2023

SEMESTER - I

**21UBCCT1001 - Financial Accounting - I**

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

**Section B**

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

1. Define accounting and explain any 5 accounting standards.
2. From the following details, ascertain the amount of subscription to be credited to income and expenditure for the year 2022. Subscription received in 2022 – Rs.48,000 which includes Rs.4,000 for 2021 and Rs.8,000 for 2023. Subscriptions due but not received at the end of the year 2022 were Rs.20,000. Subscription received in 2021 in advance for 2023 were Rs.12,000.
3. Explain the advantages of accounting.
4. From the following particulars prepare a bank reconciliation statement as on 31<sup>st</sup> March 2020.
  - a) Bank balance as on 31<sup>st</sup> March 2020 as per pass book Rs.15,200.
  - b) Bank charges debited Rs.130.
  - c) Cheques issued but not presented to bank for payment Rs.2,000.
  - d) Cheques deposited into bank not credited in the pass book Rs.7,000.
  - e) A cheque entered as deposited in the cash book instead of as a payment Rs.220.
  - f) Rs.364 paid into bank had been entered twice in the cash book.
  - g) The receipt column of the cash book has been over cast by Rs.1,000.
  - h) A cheque drawn for Rs.9 had been incorrectly entered in the cash book as Rs.99.
5. From the following details(in Rs.) find out the credit purchases and total purchases.

	Rs.
Cash purchases	29,000
Opening balance of bills payable	7,500
Opening balance of creditors	20,000
Closing balance of bills payable	2,500
Closing balance of creditors	18,000
Cash paid to creditors	25,000
Bills payable paid during the year	10,500
Purchase returns	1,500
Allowance from creditors	800
Bills payable dishonoured	300

6. A company purchased a second hand plant for Rs.30,000. It immediately spent on it Rs.5,000. The plant was put to use 1-1-2020. After having used it for six years, it was sold for Rs.15,000. You are required to prepare plant A/c for 6 years, providing depreciation at 10% on original cost.

**Contd...**

7. Prepare trading and Profit and Loss account from the following given below

Particulars	Rs.	Particulars	Rs.
Purchase	18,260	Rent (office)	500
Wages	3,620	Sales returns	700
Closing stock	4,420	Purchase returns	900
Sales	32,000	General expenses	900
Carriage on purchase	500	Discount to customers	360
Carriages on sales	400	Interest from bank	200
Rent ( factory)	400	Opening stock	3,600

8. A fire occurred in the premises in Mr.Dheena on 15<sup>th</sup> August 2020. A large Part of the stock was destroyed and Rs.7,500 was realized for the salvage. For the period from 1-1-2020 to 15-8-2020, the following information is available:

Purchase amounted to Rs.42,500

Sales amounted to Rs.45,000

Stock on hand on 1.1.2020 was Rs.20,000 at cost price.

Goods costing Rs.2,500 were taken by Dheena for this personal use.

The previous accounts revealed that the rate of gross profit was  $33\frac{1}{3}\%$  on sale. The insurance policy was taken for Rs.25,000 and included an average clause. Prepare the statement of claim to be made with the insurance company.

### Section C

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

9. From the following trial balance extracted from the books of Mr.John, prepare the Trading and Profit and Loss Account and Balance Sheet as on 31-12-2022

Particulars	Rs.	Particulars	Rs.
Drawings	45,000	Capital	1,60,000
Goodwill	90,000	Bills payable	35,000
Buildings	60,000	Creditors	70,000
Machinery	40,000	Purchase returns	2,650
Bills receivable	6,000	Sales	2,18,000
Opening stock	40,000		
Purchases	51,000		
Wages	26,000		
Carriage outwards	500		
Carriage inwards	1,000		
Salary	35,000		
Rent	3,000		
Discount	1,100		
Repairs	2,300		
Bank	25,000		
Cash	1,600		
Debtors	45,000		
Bad debts	1,200		
Sales return	2,000		
Furniture	6,000		
Advertisement	3,500		
General expenses	450		
	<b>4,85,650</b>		<b>4,85,650</b>

Adjustments:

- a) Closing stock Rs.35,000
  - b) Depreciate machinery and furniture by 10%.
  - c) Outstanding wages Rs.1,500
  - d) Prepaid advertisement Rs.150
  - e) Create 5% on debtors for bad debts on provision.
10. A company whose accounting year is the calendar year, purchased on 1-1-2019 machine for Rs.40,000. It purchased further machine on 1<sup>st</sup> Oct 2019 for Rs.20,000 and on 1<sup>st</sup> July 2020 for Rs.10,000. On 1-7-2021, one fourth of machinery installed on 1-1-2019 became obsolete and sold for Rs.6,800. Show the Machinery account and Journal entries would appear in the books of the company for all the three years under diminishing balance method. Deprecation is to be provided at 10% p.a.
  11. Explain the Accounting Concepts and Conventions.
  12. Ram has kept his book under single entry system. His position as on 31-3-2022 and 31-3-2023 was as follows:

	<b>31-3-2022</b>	<b>31-3-2023</b>
Cash in hand	1,000	1,500
Cash at bank	15,000	10,000
Stock	1,00,000	70,000
Debtors	42,500	85,000
Furniture	10,000	10,000
Machinery	75,000	75,000
Creditors	1,25,000	1,45,000

During the year 2022-23, he introduced Rs.25,000 as additional capital and withdrew Rs.25,000 as additional capital and withdrew Rs.5,000 per month. Depreciate furniture by 5% and machinery by 10% per year. Ascertain profit for the year ended 31-3-2023.

13. The premises of a trading firm caught fire 22-10-15 and the stock was damaged. The firm had made up accounts to 31<sup>st</sup> December.

	<b>Rs.</b>
Stock on 31-12-2014	13,272
Stock on 31-12-2013	9,614
Purchase during 2014	45,258
Purchase from 1-1-2015 to the date of fire	34,827
Sales during 2014	52,000
Sales from 1-1-2015 to the date fire	49,170

Additional information:

In April 2015 goods which cost Rs.1,000 were given away for advertising purposes, no entries being made in the books. During the 2015 a clerk had misappropriated unrecorded cash sales. It is estimated that the defalcation amounted to Rs.400. The rate of gross profit is constant. From the above information, make an estimate of the date of fire.

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