

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.(A&F) END SEMESTER EXAMINATIONS NOVEMBER -2023
SEMESTER - I

20UAFCT1001 - Financial Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

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

1. What are the basic accounting concepts? Explain their implications.
2. The following amounts are due to Ezhil by Satya. Satya wants to pay off (i) on 18th March 2017 or (ii) on 14th July 2017. Interest rate of 8% p.a. is taken into consideration.

Due dates	Rs.
10 th Jan 2017	1,000
26 th Jan 2017 (republic day)	2,000
23 rd March 2017	6,000
18 th Aug 2017 (Sunday)	8,000

Determine the amount to be paid in (i) and in (ii)

3. A company whose accounting year is the calendar year, purchased on 1st Jan 2003 a machine for Rs.40,000. It purchased further machinery on 1st Oct 2003 for Rs.20,000 and on 1st July 2004 for Rs.10,000. On 1st July 2005, 1/4th of the machinery installed on 1st Jan 2003 became obsolete and was sold for Rs.6,800. Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing balance method. Depreciation is to be provided at 10% p.a.
4. Difference between Double Entry and Single Entry system.
5. ABC Ltd., Company purchased a truck for Rs.4,50,000 on 1st April 2013. The truck value depreciated at 10% per annum on Written Down Value method. The accounting year ends on 31st March of every year. Prepare the Truck Account and Depreciation on Truck Account for three years, ending 31st March 2016.
6. Rs.40,000 lent by Sundaram to Chatterjee on 1st Jan 2020 is repayable in four equal half yearly instalments commencing from 1st Jan 2021. Calculate Average due date and interest at 15% p.a.
7. Difference between Receipts & Payments Account and Income & Expenditure Account.

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8. Describe the procedure to be adopted for the conversion of books maintained by single entry to double entry system.

Section C

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

9. Prepare Trading, Profit and Loss Account and Balance Sheet from the following Trial Balance of Mr. Madan.

Debit balances	Amount	Credit balances	Amount
Sundry debtors	92,000	Madan's capital	70,000
Plant and machinery	2,000	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 drawings	22,000		
Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture and fixtures	10,000		
Cash in hand	2,060		
	4,02,600		4,02,600

Adjustments :

- Stock on hand 31-12-2012 90,000.
 - Provide depreciation on premises at 2.5%, plant and machinery at 7.5% and furniture and fixtures at 10%
 - Write-off 800 as further bad debts.
 - Provide for doubtful debts at 5% on sundry debtors.
 - Outstanding rent was 500 and outstanding wages were 400.
 - Prepaid insurance 300 and prepaid salaries 700.
10. Rajesh maintains his fixed assets at cost. Depreciation provision accounts are maintained separately for each asset. On 31st Dec 2005 the position was as under:

	Cost	Depreciation
Plant and Machinery	1,50,710	62,350
Furniture and Fixture	26,450	11,500

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He purchased a machine for 10,000 on 1st April 2006 and furniture for 3,000 on 1st June 2006. A machine purchased on 1st January 2004 for 6,000 was sold on 30th June 2006 for 5,500.

Depreciation is provided @ 10% p.a. on Written Down Value method. Show the relevant account for the year ended 31st December 2006.

11. Balaji had the following transactions with Ganesan.

2021		Rs.
Jan 20	Sold goods to Ganesan	400
Mar 2	Purchased goods from Ganesan	250
Mar 3	Accepted Ganesans draft at 1 month due	200
Apr 11	Cash paid to Ganesan	400
Apr 30	Goods sold to Ganesan due end of May	100
May 11	Bought goods from Ganesan	300
June 11	Balaji drew a bill on Ganesan this day. Payable two months after date, and this was duly accepted by Ganesan.	300

Prepare an Current Account to be rendered by Balaji to Ganesan as at 30th June, bring Red-ink Interest in to account at 20% p.a.

12. On 15th June 2020, the premises of a concern were destroyed by fire; but sufficient records were saved from which the following particulars were obtained:

Particular	Rs.
Stock at cost 1.1.19	36,750
Stock at cost 31.12.2019	39,800
Purchase for 2019	1,99,000
Sales for 2019	2,43,500
Purchases from 1.1.2020	81,000
Sales from, 1.1 2020 to 15.6.2020	1,15,600

In valuing stock on 21st December 2019, Rs.1,150 had been written off certain stock which was a poor selling line, having cost Rs.3,450. A portion of these goods was sold in March 2021 at a loss of Rs.100 on their original cost of Rs.1,725. The remainder of this stock was now estimated to be worth 80% of the original cost. Subject to the above explanation, gross profit had remained at an uniform rate throughout. The stock salvaged was Rs.2,900. Show the amount of the claim.

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13. Ram and Laxman are equal partners in a business in which the books are kept by single entry. Their position on 1st July 2020 was as under.

	Rs.		Rs.
Bills payable	12,400	Cash in hand	540
Sundry creditors	40,000	Cash at bank	27,760
Capital a/c:		Bills Receivable	9,200
Ram 1,60,000		Sundry Debtors	97,300
Laxman 1,60,000	3,20,000	Stock	67,600
		Plant & Machinery	1,60,000
		Furniture	10,000
	3,72,400		3,72,400

On 30.6.21 the following was the state of affairs.

Cash in hand	800	Cash at bank	31,600
Sundry creditors	42,400	Stock	73,400
Sundry debtors	1,32,600	Bills payable	1,200
Bills receivable	17,600		

Plant and machinery and furniture are to be depreciated by 10%

Drawings : Ram: 20,000, Laxman:16,000

Ascertain the profit for the year ended 30.6.2021 and statement of affairs as on that date. Prepare capital accounts of the partners.
