

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. Economics - END SEMESTER EXAMINATIONS - NOV'2024

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. Explain the various accounting conventions.
2. Prepare trading and Profit and Loss Account for the information given below:

Particulars	Rs.	Particulars	Rs.
Purchases	17,500	Sales returns	700
Wages	3,500	Purchase returns	900
Closing stock	5,000	General expenses	800
Carriage on purchase	500	Discount	350
Carriage on sales	400	Interest	200

3. Prepare a bank reconciliation statement as on 31.12.23, from the following details:

Particulars	Rs.
Balance as per cash book	7,500
Cheque deposited to bank but not collected	650
Cheque issued but not presented for payment	880
Bank charges debited in the pass book	150
Interest credited in the pass book	65

4. Journalise the following transactions:

Date	Particulars	Amount (Rs.)
2022 March 1	Commenced business with cash	1,00,000
2	Paid cash for stationery purchase	5,000
8	Purchased office equipment by cheque	10,000
15	Withdrew cash for personal use	4,000
18	Paid electricity bill	2,000
28	Received cash from Sai	4,300

5. What are the causes for depreciation?

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6. A firm purchased a machine for Rs.95,000 and spent Rs.5,000 for erection on 1.7.20. Depreciation is written off @10% on reducing balance method. The firm closes its books on 31st December each year. Show machinery account upto 31st December 2022.
7. Mr.Murugan maintains his books on single entry system. He gives you the following information. You are required to calculate profit made by Murugan.
- Capital as on 1.1.2020 Rs.32,000
 Capital as on 31.12.2020 Rs.36,000
 Drawings during the year Rs.10,000
 Capital introduced Rs.6,000
8. Find out credit purchase from the following:

Opening balance	7,600
Return outwards	2,400
Cash paid to creditors	20,000
Bill payable	4,600
Discount received	500
Closing balance	9,500

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. How do you classify accounting concepts?
10. Journalise the following transactions and post them in to ledger:

Date	Transactions
April 2021 1	Started business with a capital of Rs.5,000
2	Purchased goods from Guru for Rs.1,000
3	Paid Guru Rs.950 in full settlement
4	Sold goods to Kamal for Rs.500
5	Received Kamal Rs.450 in full settlement
6	Paid salary Rs.300
7	Purchased Furniture for Rs.5,000
9	Received interest Rs.50
15	Withdrew cash from bank for personal use Rs.1,500

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11. From the following Trial balance as on 31.12.2020 prepare Trading, Profit and Loss A/c and Balance as on that date.

Particulars	Debit	Credit
Stock on 1.1.2016	6,000	-
Cash in hand	2,000	-
Drawings	2,840	-
Rent	680	-
Machinery	4,000	-
Tax	400	-
Provision for bad debts	-	420
Bad debts	700	-
Capital	-	19,000
General expenses	1,860	-
Purchase	41,000	-
Debtors	16,800	-
Sales	-	46,160
Creditors	-	8,960
Commission	-	1,740
	76,280	76,280

Adjustments:

- (a) Depreciation on machinery 10% p.a.
 - (b) Rent outstanding Rs.500.
 - (c) Tax prepaid Rs.100.
 - (d) Provision for bad debts is to be increased to 5% on debtors.
 - (e) Closing stock Rs.3,500.
12. A company, whose accounting year is the calendar year, purchased a machinery on 1st April, 2020, costing Rs.40,000. It purchased further machinery on 1st October, 2020 costing Rs.10,000 and on 1st July 2021 costing Rs.10,000. On 1st January 2022, the machinery installed on 1st April 2020 became obsolete and was sold for Rs.12,000. Machinery is depreciated on fixed installment method at 10% p.a. Show the machinery account. Accounts are closed on 31st December every year.

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13. Sanjay keeps his books on Single Entry System. From the following particulars prepare Trading and Profit and Loss A/c and Balance Sheet for the year ended 31.12.2021.

His assets and liabilities were as follows:

	1.1.21	31.12.21
Stock	50,000	45,000
Debtors	60,000	70,000
Machinery	60,000	60,000
Furniture	5,000	5,000
Sundry creditors	30,000	25,000
Bank O/D	10,000	-
Salary outstanding	-	500
Bills receivable	-	6,000

The cash book gives the following information:

Receipts from debtors	80,000
Cash sales	27,000
Payment to creditors	40,000
Cash purchase	23,500
Interest on bank OD	1,500
Discount allowed to debtors	4,000
Discount received from creditors	2,500
Salaries	15,200
Write off depreciation at 10% on Machinery and 6% on furniture.	
