

**D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS),VELLORE-1.**

**FINANCIAL ACCOUNTING**

**II BBA.**

**SINGLE ENTRY SYSTEM**

**SECTION-A**

**2 Marks**

1. What is single entry system?
2. What is net worth method?
3. What is a statement of affairs?
4. What are the two methods of ascertaining profit in single entry system?
5. What is conversion Method?
6. Define single entry system.
7. How do you find opening capital under conversion Method, if it is not given?
8. What Missing items can be ascertained by preparing
  - (a) Opening statement of affairs
  - (b) Total debtors account.
9. What Missing items can be obtained from
  - (a) Total creditors account
  - (b) Bills payable.
10. What Missing items can be found by preparing cash book from available data?

**SECTION-B**

**5 Marks**

1. Calculate the capital at the beginning of the year.

Rs.

Capital at the end of the year	35,000
Drawings during the year	5,000
Capital introduced during the year	2,500
Profit during the year	10,000

2. Calculate the Missing figure: Rs.

Profit Made during the year	2,400
Capital at the end	8,000

Capital introduced during the year	2,000
Drawings	1,200
Capital in the beginning	?

3. Mr. Janaki Raman keeps his books by single entry. He started business on 1<sup>st</sup> Jan. 1991 Rs.1, 00,000. On 31<sup>st</sup> December his position was as under.

Assets	Rs.	Liabilities	Rs.
Cash in hand	2,500	Sundry Creditors	
Cash at bank	5,000	Bills Payable	20,000
Furniture	12,500	Out standing	2,500
Plant	50,000	creditors	
Sundry Debtors	25,000		2,500
Stock	45,000		
Bills Receivable	5,000		

4. Ajay keeps his books by the single entry method. His position on 31-12-1977 and 31-12-1978 was as follows:-

	1977	1978
	Rs.	Rs.
Cash in hand	250	300
Cash at bank	2,750	2,200
Stock in trade	21,000	18,000
Sundry debtors	7,500	12,000
Fixtures & Fittings	1,750	1,575
Machinery	15,000	25,000
Sundry creditors	18,000	23,000

During the year, Ajay introduced Rs.5, 000 as further capital in the business and withdrew Rs.600 P.M

From the above, prepare a statement showing the profit of loss made by him for the year ended 31-12-1978.

5. Calculate the stock at the end:

Rs.

Stock in the beginning	5,000
Cash sales	15,000
Credit sales	10,000
Purchases	17,500
Rate of gross profit on cost	1/3

**SECTION-B            5 MARKS**

1. Calculate the capital at the beginning of the year.

	Rs.
Capital at the end of the year	35,000
Drawings during the year	5,000
Capital introduced during the year	2,500
Profit during the year	10,000
	Rs.

2. Calculate the Missing figure:

Profit Made during the year	2,400
Capital at the end	8,000
Capital introduced during the year	2,000
Drawings	1,200
Capital in the beginning	?

3. Mr. Janaki Raman keeps his books by single entry.

He started business on 1<sup>st</sup> Jan 1991 with Rs.1, 00,000.

On 31<sup>st</sup> Dec.1991 his position was as under.

Assets	Rs.	Liabilities	Rs.
Cash in hand	2,500	Sundry creditors	20,000
Cash at bank	5,000	Bills payable	2,500
Furniture	12,500	Out Standing creditors	2,500
Plant	50,000		
Sundry Debtors	25,000		
Stock	45,000		
Bills Receivable	5,000		

4. Ajay keeps his books by the Single entry Method? His position on 31-12-1977 and 31-12-1978 was follows:-

	1977 Rs.	1978 Rs.
Cash in hand	250	300
Cash at bank	2,750	2,200
Stock in trade	21,000	18,000
Sundry debtors	7,500	12,000
Fixtures & Fittings	1,750	1,575
Machinery	15,000	25,000
Sundry Creditors	18,000	23,000

During the year, Ajay introduced Rs.5, 000 as Further Capital in the business and withdrew Rs.600P.M.

From the above, prepare a statement showing the profit or loss made by him for the year ended 31-12-1978.

5. Calculate the stock at the end:

	Rs.
Stock in the beginning	5,000
Cash sales	15,000
Credit sales	10,000
Purchases	17,500
Rate of gross profit on cost	y3

6. From the following details, calculate total sales made during the year 1994.

	Rs.
Debtors (1-1-94)	17,425
Debtors (31-12-94)	15,300
Cash received from debtors	49,200
Sales Returns	3,700
Bad debts	2,500
Discounts	1,800
Bills Receivable	5,000
Cash Sales	12,000

7. From the following facts you are required to calculate total purchase:

	Rs.
Bills payable on 1 <sup>st</sup> January	5,000
Creditors 1 <sup>st</sup> January	6,000
Bills payable 31 <sup>st</sup> December	7,000
Creditors 31 <sup>st</sup> December	4,000
Cash paid to creditors during the year	30,200
Bills payable discharged during the year	8,900
Returns outwards	1,200
Cash purchases	25,800

8. From the following details 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
Allowances from creditors	800
Bills payable dishonoured	300

**SECTION-C                      10 Marks**

1. What is single entry? What are the differences between single entry system and double entry system of book keeping
2. From the following details. Prepare trading and profit and Loss account and balance sheet:

	As on 1-1-12 Rs.	As on 31-12-02 Rs.
Creditors	37,500	43,750
Furniture	2,500	2,500

Cash	6,250	10,000
Debtors	62,500	87,500
stock	25,000	12,500

Other details:

Drawing Rs.10,000; Bad debts Rs.1,250; Discount received Rs.3,750; Discount allowed Rs.2,500 ; sundry expenses Rs.7,500; Payment to creditors Rs.1,12,500; collection from debtors Rs.1,33,750; sales return Rs.3,750; Purchase returns Rs.1,250; Charge 5% depreciation on Furniture.

3. Explain the meaning and differences between balance sheet and statement of affairs.
4. Mr. X keeps his book under single entry system from the following; prepare Trading and P&L A/c Balance sheet as on 31-1-94.

Cash book analysis shows the following:

	Rs.
Interest Charges	100
Personal withdrawals	2,000
Staff salaries	8,500
Other business expenses	7,500
Payment to creditors	15,000
Balance at Bank as on 31-3-94	425
Cash in hand as on 31-3-94	75
Received from debtors	25,000
Cash sales	15,000

Further details available are:

	As on 31-1-93 Rs.	As on 31-3-94 Rs.
Stock in hand	9,000	10,220
Creditors	8,000	5,500
Debtors	22,000	30,000
Furniture	1,000	1,000
Office premises	15,000	15,000

Provide 5% interest on x's capital balance as on 1-4-93. Provide Rs.1, 500 for doubtful debts 5% depreciation in all fixed assets. 5% group incentive commission to staff has to be provided for on net profit after meeting all expenses and the commission.

5. A trader has not kept proper books of accounts. The following balances are placed before you and you are required to prepare a statement of gross profit and net profit for the year ended 31<sup>st</sup> March 1971, and a statement of affairs as at that date.

	1-4-1970 Rs.	31-3-1971 Rs.
Cash in hand	5,350	5,400
Bank overdraft	45,000	40,000
Stock-in -trade	59,350	62,000
Sundry creditors	38,600	87,200
Sundry debtors	30,200	29,800
Bills receivable	42,400	40,800
Land & building	53,000	53,000
Furniture	4,600	4,600
Bills payable	62,000	58,000

Drawings during the year amounted to Rs.6, 000 Depreciation is to be calculated on land and building at 2% and on furniture and fittings at 10% provide for doubtful debts at 21/2%.

6. Rangan has kept his books under single entry system. His position as on 31-3-94 and 31-13-95 was as follows.

	31-3-94 Rs.	31-3-95 Rs.
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 1994-95. He introduced 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 31-3-95 and prepare a balance sheet as on that date.

7. Net haji kept no proper books of accounts for his business. An analysis of his rough cost book for 1986 showed the following particulars:

Receipts	Rs.	Payments	Rs.
Received from debtors	60,000	Overdraft on 1-1-1986	7,400
Further capital introduced	5,000	Paid to creditors	25,000
		Business expenses	10,000
		Wages	15,500
		Drawings	3,000
		Cash at Bank	4,000
		Cash in hand	1,000
	-----		-----
	65,000		65,000
	-----		-----

The following information is available:

	31-12-85	31-12-86
	Rs.	Rs.
Debtors	53,000	88,000
Creditors	15,000	19,500
Stock	17,000	19,000
Machinery	20,000	20,000
Furniture	1,400	1,400



All his sales and purchases were on credit prepare Trading and profit& Loss account and Balance sheet after providing for depreciation on machinery at 10% on Furniture at 5% per annum.

8. From the information given below, prepare a Trading and Profit & Loss account for the year ended 30<sup>th</sup> June 1993 and a Balance Sheet as that date:

	Balance on 1-7-92 Rs.	Balance on 1-7-92 Rs.
Debtors	80,000	74,000
Creditors for	30,000	24,000
Purchases	500	300
Cash	7,500	32,500
Stock	75,000	80,000
Plant	50,000	60,000

Cash transactions:-

Receipts: Cash sales Rs.5, 000, Debtors Rs.3, 55,000

Payments: Purchase of Plant Rs.10, 000

Rent Rs.6, 200

Payment to creditors Rs.1, 56, 000

Salaries Rs.1, 00,000

Wages Rs.30, 000

Electricity Rs.10, 000 (Shortage in cash BAL to be treated  
As drawings)

Bad debts already written off Rs.1,000.

Depreciation on Plant has to be provided at 10%.

## **DEPARTMENTAL ACCOUNTING**

### **SECTION-A**

**2 MARKS**

1. What is a Department?
2. What are departmental accounts?

3. What are direct expenses in the context of departmental accounts?
4. What are indirect expenses in the context of departmental accounts?
5. What is Apportionment of expenses to departments?
6. What is 'inter departmental transfer'?
7. What is 'stock Reserve'?
8. What do you understand by inter departmental transfer at loaded price?
9. What is departmental Profit and Loss Account?
10. What is general profit and Loss account?

**SECTION-B                      5 MARKS**

1. What is the need for departmental accounts?
2. Distinguish between departments and branches.
3. From the following details, prepare departmental trading accounts.

	Dept. A Rs.	Dept. B Rs.
Opening stock	9,000	8,400
Total Purchases	27,000	21,600
Total Sales	42,000	36,000
Closing Stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

4. What are Departmental accounts? Explain their Advantages.
5. Explain the merits of inter departmental transfer.
6. What are direct and indirect exercises in the context of departmental accounts?
7. What is the need for apportionment of Expenses between departments?

**SECTION-C                      10 MARKS**

1. Mentha Ram of Ram Nagar purchased goods for his three departments as Follows:

Dept. x – 200 units	}	
Dept. y – 1,400 units	}	Total cost Rs.5, 100
Dept. z – 400 units	}	

Sales of three departments were as follows.

Dept.x – 180 units @ Rs. 15Per Unit  
 Dept. y – 1,500 units @ Rs. 18Per Unit  
 Dept. z - 450units @ Rs. 6 Per Unit

Other information about stock in the beginning was as follows:

Dept.x – 100 units  
 Dept. y – 400 units  
 Dept. z – 60 units

1. Ram informs you that the rate of gross profit is the same in all dpks you are required to dept. mental Trade A/c.

Mr. Senthil caries on Cloth business following is the list of balances as on 31-12-71

Rs.		Rs.	
Capital A/c	30,000	Purchase :	
Sales:		Dept. I	43,000
Dept. I	70,000	Dept.II	25,000
Dept.II	30,000	Salaries	5,400
Sundry creditors	12,000	Office Expenses	2,800
Bills Payable	1,500	Commission	2,200
General Reserve	750	Advertisement	5,800
Opening Stock		Bank Charges	120
Dept. I	3,400	Stationeries	2,700
Dept.II	1,100	Telegrams	600
Sundry debtors	23,000	Discount (Dr)	1,500
Bills Receivable	5,000	Miscellaneous expenses	900
Furniture	1,080	Investment	6,900
Rent	1,800	Cash in hand	2,500
Marine Insurance	2,400	Cash at Bank	7,050

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2. The business is divided in to two departments. Apportion the expenses in Proportion to the turnover of each department.

Adjustments:

- (a) Write off 10% depreciation on furniture
- (b) Provide Rs300 for bad debts and 2% on debtors for discounts.
- (c) The closing stocks were Dept. I = Rs.4,000  
Dept.II = Rs.1, 680
- (d) Increase General Reserve by Rs.3,000
- (e) Allocate provision for Bad debts also in the ration.

Of 7:3 from the above particulars, prepare department trading and P& L A/c and Balance Sheet as on 31-12-71.

3. What are the bases for the allocation of common expenses to different departments of an organisation?

4. How are transfers from one department to another treated in departmental accounts?

5. The following information is given by Balan. A, merchant, for the year ended 31-12-1996.

	Rs.		Rs.
Sales: Dept. I	70,000	Purchases: Dept. I	43,000
Dept.II	30,000	Dept.II	25,000
Stock (1-1-96)		Salary	5,400
Dept. I	3,400	Commission	2,200
Dept.II	1,100	Advertisement	5,800
Debtors	23,000	Bank charges	120
Office furniture	1,080	stationery	2,700
Rent	1,800	wages	10,000
Insurance	2,400		

Provide depreciation at 10% on furniture. Bad debts Rs.300. Create 10% provision for discount on debtors.

Stock position on 31-12-1996. Dept. I Rs. 4,000 and dept. .II Rs.1,680.

From the above information, prepare the departmental trading and Profit & Loss account. Expenses are allocated on the basis of sales.

5. State the systems of departmental accounting and explain its advantages.

**I-UNIT                      SECTION-A                      2 MARKS**

1. What is accounting?
2. What is Book Keeping?
3. What is single entry and Double entry System?
4. Write the golden rules for Accounting?
5. What is Journal?
6. What is Ledger?
7. What is Trade discount?
8. Define: Trial Balance
9. Define: Depreciation
10. What is contra entry?

**SECTION-C                      5 MARKS**

1. What are the objectives of Accounting?
2. Describe the advantages and Disadvantages of Accounting?
3. Explain briefly personal Account, Real Account and Nominal Account?
4. Journalise the Following transactions:
  1. Purchased goods for cash Rs.10,000
  2. Purchased stationery for Cash Rs.500
  3. Purchased furniture for cash Rs.3000
  4. Sold goods for cash Rs.8000
  5. Sold goods for James Rs.2000
  6. Paid salary of Rs.8000
  7. Paid wages Rs.500
  8. Paid freight on Machine purchased Rs.400
5. Prepare Ledger account of Ravi from the following transaction:  
2000

April

1. Bought goods From Ravi Rs.60000 on credit.
2. Paid him by cheque Rs.36000
  
5. Sold him goods worth Rs.12,000 on credit.
  
7. Received from him Rs.4000
  
12. He returned defective goods costing Rs.1000
  
16. Paid to Ravi Rs.6000
  
21. Purchased from him two sets of articles worth (a) Rs.5000 and (b) Rs.4000. Paid cash immediately for the first set only and agreed to pay the value of the second after a month.
  
6. The Following are some of the transactions of M/S. Karthik &sons as per waste Book. Prepare sales book for the period.

2000

Jan

1. Sold to M/S. Ravi & Gupta on credit.  
60 Shirts @ Rs. 8 each  
40 Trousers @ Rs.10 each  
  
Less: Trade discount @ 10%
  
5. Sold old Furniture to M/s.Settu & co .on credit Rs.160
  
8. sold old 100 shirts to M/S. Jagan &sons @ Rs.8 per Shirt.
  
10. Sold 20 shirts to shanti stores @ Rs.7.50 each for cash.
  
15. Sold on credit to M/s Mani & Khan.  
  
200 shirts @ Rs.7.50 each  
  
200 over coats @ Rs.50 each  
  
Less: Trade discount @ 10%

[Hint: Ignore sale of old furniture and the cash sales on Jan 10].

7. Enter the Following transactions of a trader in a triple column cash book.

1987

Nov.

1. Nizan started business with Rs.100000

2. Deposited into bank of Bodi Rs.95000

5. Purchased a building for Rs.70000 and paid by cheque.

10. Purchased Merchandise Rs.20000 and paid by cheque.

25. Paid freight Rs.50

29. Withdrew from bank for personal use Rs.500

30. Cleared electricity bill Rs.90.

8. Prepare a simple cash book from following transactions of Mr. Gopal of Chennai.

2000

Jan

Rs.

1

Cash Balance	16,000
He bought goods for cash	10,000
Sold good for cash	200
Received cash from Manohar	720
Paid into Bank	6,000
Paid cash to Honest Raj	430
Sold goods for cash	3,000
Paid for stationery	30
Paid for Office furniture	370
Received from kalidas	1,360

Paid for Advertising	180
Purchased postage stamps	16
Paid rent	200
Paid electricity charge	30

**SECTION-C            10 MARKS**

1. Define accounting. What are its objectives?
2. How is accounting Information used by internal and external users?
3. Enter the following transactions in the Journal and ledger of Hari Prasad of Hyderabad.

2000	Rs.
July	
1. Commenced Business with cash	1,80,000
3. Deposited into Bank	55,000
Purchased goods for cash	22,000
5. Bought goods for Cash	72,000
8. Cash Sales	16,000
11. Cash deposited into Bank	23,000
14. Purchased Furniture for cash	4,000
16. Sold goods to vivek	12,700
17. Received cash from Vivek	12,446
Allowed discount	254
18. Paid swami Nathan cash Discount allowed	12,000
By him	240



20. Paid wages	18,000
21. Sold goods to Jagadeesan	35,000
22. Paid cash for trade expenses	150
24. Sold goods to Rajan	23,280
25. Received from Jagadeesan	21,000
Allowed him discount	525
26. Paid swami Nathan cash on account	24,000
28. Sold goods for cash	9,000
29. Paid cash for stationery	180
30. Paid cash for miscellaneous expenses	150
31. Bought goods from Sridhar	17,870
32. Withdrew cash for private expenses	1,480

4. Briefly explain the methods of Accounting?

5. Explain the types of Accounting?

6. What is cash book? Explain different kinds of cash book?

Journalise the Following transactions of Mr. Rahim.

2000

Mar

	Rs.
1. Rahim commenced business with cash	16,000
2. Goods worth Rs. 80,000 and furniture	
3. Opened current A/c with Indian Bank	30,000
4. Bought goods of Santanam.	40,000
5. Sales to Jagan	20,000
6. Swamy sold goods to us	16,000

7. Kannan bought goods from us	80,000
8. Typewriter Purchased	10,000
9. Received Cheque from Radha.	6,000
11. Returned goods to Santanam	12,000
15. Received cheque from Radha	1,400
16. Sold goods to Shankar and cash	1000
18. Received	14,000
Paid into Bank	
19. Purchased a motor cycle for personal use	2,000
20. Stationery purchased and paid by cheque	
27. Paid salaries	2,000
31. Withdrew From Bank	
	60,000
	500
	4,000

**UNIT-II      TRIAL BALANCE      SECTION-A      2 MARKS**

1. What is trial Balance?
2. Define: Trial Balance
3. What are the methods of preparing trial Balance?
4. What is a “Schedules of Debtor’s”?
5. What is “Schedules of Creditors”?
6. Write any two objectives to preparing trial Balance?

**SECTION-B      5 MARKS**

1. Preparation of Trial Balance

	Rs
Capital	9000
Plant and Machinery	12000
Purchases	8000
Sales	12000
Sundry creditors	8000
Bank Loan	22000
Rent outstanding	1000

Opening Stock	2000
Sales Returns	4000
Investments	14000
Debtors	12000

2. Journal, Ledger and Trial Balance:-

1990

Jan

1. Murugan commenced Business with a capital of Rs.80,000
  2. Purchased goods for Rs.24,000
  3. Bought furniture's for Rs.20,000
  4. Sold goods for Rs.18,000
  5. Sold goods to Kumar on credit For Rs.15000.
  7. Purchased goods from David on credit for Rs.6, 000
  15. Cash Received from Kumar Rs.14, 950, allowed him discount Rs.50.
  18. Paid cash to David Rs.2000
  22. Drawn for personal use Rs.3, 000
  25. Opened a bank account by depositing Rs.11000
  26. Cash sales Rs.5000
  31. Rent paid Rs.2000; salary paid: Rs.3500.
3. Prepare Trial Balance:

Name of Accounts	L.F	Debit balance	Credit balance
Capital		-	15560
Sales		-	27560
Sales Return		-	980
Drawing A/c		5640	-
Sundry debtors		-	5300
Freehold premises		7410	-

Purchased	12680	-
Return onwards	2640	-
Loan from sham	-	2500
Sundry creditors	5280	-
Administration		-
Expenses	7840	-
Cash in hand	1420	-
Bills payable	1000	-
Wages	5980	-
Opening stock	-	2640
Factory expenses	4650	-

4. Messrs' Raj Kumar & Bros. Started their Business on 1<sup>st</sup> April 1995 with Rs.50, 000 as their Capital. Following were the transactions for one month:-  
1995  
April

	Rs.
1.Paid into Bank	20000
2. Purchased furniture from modern Furniture Ltd., on credit	3000
6.sold goods on credit to sivakumar	3500
8.Paid to Modern Furniture Ltd,	2000
11. Purchased goods from Mohan	8800
15. paid wages in cash	200
16.Issued cheque to Mohan	7000
20. Received from Siva Kumar	1500
21.Paid into Bank	1500
22.Cash sales	3500
25. Cash purchases	1800
27. Goods withdrawn For personal use	500
28.Cash withdrawn for personal Use	750
29. Paid for stationery	100
30. Paid salaries by Cheque	1000

Given Journal entries and prepare the ledger accounts and trial balance as on 30-4-1995.

**SECTION-C**

**10 MARKS**

1. Prepare trial Balance:-

	Rs.
Opening stock	10600
Wages	2200
Average	200
Commission (PR)	300
Purchases	12000
Return Inwards	440
Trade Expenses	580
Rent	200
Plant	2600
Repairs to plant	460
Cash in hand	200
Cash at Bank	1000
Debtors	3000
Income tax	500
Drawings	700
Return outwards	150
Sales	25200
Discount Received	400
Capital	7000
Creditors	830
Loan (cr)	1400

2. Correct the following Transaction. Trial Balance by identifying the errors.

DR. Balance	Rs.	Cr. Balance	Rs.
Opening stock	1000	Loan A/c (Cr)	15000
Purchases	40,000	Sundry Debtors	42000
Wages	15,000	Capital	50000
Rent ,Rates	1000	Provision for Bad	
Salaries	8000	Debts.	2800
General Expenses	900	Sales Returns	
Plant	15000	Discount allowed	2000
Sundry Creditors	20000		500
Furniture	80000		
Cash at Bank	50000		
sales	128600		
Sales Building	60000		
	<hr/>		<hr/>
	3,20,500		112300

**SECTION-B**

**5 MARKS**

1. Characteristics of Depreciation?
2. Objectives of Depreciation?
3. A company purchased a plant for Rs.50, 000. The useful life of the plant is 10 years and the residual value is Rs.10000. Find out the rate of depreciation under the straight line method.
4. A Machine purchased on 1<sup>st</sup> July 1983 at a cost of Rs.14, 000 and Rs.1000 was spent on pts. Installation. The depreciation is written off a 10% in the original cost every year. The books are closed on 31<sup>st</sup> Dec each year. The machine was sold for Rs.9500, on 31<sup>st</sup> Mar 1986. Show the machinery account for all the year.
5. Hassan purchased a machine on 1<sup>st</sup> Jan 1992. At Rs.14, 400. The scrap value after ten year, time is expected to be Rs.3400. if depreciation is written off by equal instalment every Dec 31, show the machinery A/c for the first three years. Calculate the rate of Depreciation.

**SECTION-C**

**15 MARKS**

1. A Company purchased a machine on 1-1-83 for Rs. 80,000. On 1<sup>st</sup> July 1984, it purchased another machine for Rs.20000. On 1<sup>st</sup> July 1985, it sold

off the first machine purchased in 1983 for Rs.56000. on the same date; it purchased further machinery for Rs.50, 000. On 1<sup>st</sup> July 1986, the second machine purchased for Rs.20000 was also sold off for Rs.4000. Accounts are closed every year on 31<sup>st</sup> December. Depreciation is written off at 10% per annum on original cost. Prepare the machinery A/c for four years ending 31-12-86.

2. A limited company purchased a plant for Rs.10000. On 1-1-91. On 1-7-91 an additional plant was bought costing Rs.5000. On 1-7-92 the plant bought on 1-1-91 was sold off for Rs.4000. on 1-7-93 a fresh plant was purchased for Rs.12000 and the plant bought on 1-7-91 was sold at Rs.4, 200.

Depreciation is provided at 10% P.A on original cost on 31<sup>st</sup> Dec every year. Draw up the plant A/c and provision for depreciation account till the end of 31-12-1993.

3. On 1-7-1980, Raja Gopal purchased a second hand car for Rs.18000 and spent Rs.2000 on its repairs. On 30-6-1983, the car was disposed of for a sum of Rs.13, 600, Assuming that the books are closed on Dec.31 each year and the depreciation is 10% on diminishing balances, Calculate the amount chargeable to profit and Loss account for the year 1983.
4. Machinery was purchased on 1-1-86 for Rs.40000 on 30<sup>th</sup> June, another second hand machine, was purchased for Rs.15000 and Rs 5000 was spent for repairs. On 30<sup>th</sup> June 1987 thesecond machine was sold for Rs15,000, prepare machinery A/c after allowing depreciation of 10% PA on the written down value.

#### **SECTION-A**

**2 MARKS**

1. What are Final accounts?
2. What is trading account?
3. Define profit and Loss Account.
4. Define balance Sheet.
5. What is an asset?
6. What is a fictitious asset?
7. What is a current asset?

8. What is Liabilities?
9. What is an adjustment?
10. What is outstanding expense?
11. What is accrued income?
12. What is a prepaid expense?
13. What is provision for discount on debtors?
14. What is bad debt?
15. What is Interest on capital?

**SECTION-B**

**5 Marks**

1. Prepare trading account of a trader for the year ending 31<sup>st</sup> December 1996 from the Following data.

	Rs.
Opening stock (1-1-96)	50000
Goods purchased during 1996	280000
Freight and packing on the above	20000
Closing stock (31-12-96)	60000
Sales	380000
Packing Expenses on sales For Distribution	12000

2. Prepare trading and P& L Account from the information below:-

	Rs		Rs
Opening stock	3600	Rent (Fac)	400
Purchases	18260	Rent (OFF)	500
Wages	3620	Sales returns	700
Closing stock	4420	Purchase returns	900
Sales	32000	General Exp	900
Carriage on purchase		Discount to customer	360
Carriage on sales	500	Interest from bank	200
	400		

3. The following are the balances in the Ledgers of Mr.Sherif. For the Year ended 31<sup>st</sup> March 1996.



Opening Stock	Rs.
Raw Materials	20,000
Work – in – progress	3000
Finished goods	10800
Purchase of raw materials	50000
Sales	24000
Fuel and coal	1000
Wages	32000
Factory Exp	40000
Office Ex	30000
Depreciation on plans machinery	
Closing stock:	3000
Raw Materials	
Work-in –progress	20000
Finished goods	4000
	80000

Prepare manufacturing and Trading Account for the year ended 31<sup>st</sup> March 1996.

4. From the following balances of Aravind, Prepare a trading A/c, P& L A/c, and Balance Sheet as at 31<sup>st</sup> December 1995.

Credit Balances	Rs.	Debit Balance	Rs.
Capital	72000	Debtors	7770
Creditors	17440	Salaries	8000
Bills payable	5054	Discount	2000
Sales	156364	Postage	546
Loan	24000	Bad debts	574
		Interests	2590
		Insurance	834
		Machinery	20000
		Stock (1-1-95)	19890
		Purchases	124184
		Wages	8600

		Buildings	47560
		Furniture	32310

5. Prepare trading account of Siva for the year ending 2001

	Rs.
Opening Stock	400000
Purchases	4300000
Carriage inward	360000
Wages	120000
Credit sales	7200000
	1800000
Cash sales	1580000
Sales returns	50000
Purchase returns	50000
Closing stock	

From the following trial balance of Rajesh prepare P&L A /cfor the year ended 31-3-2001.

	Debit	Credit
Gross Profit		950000
Common received		5000
Interest received		4000
Sundry income		4000
Depreciation	10000	
Salaries	15000	
Discount (Dr)	8000	
Discount (Cr)		12000
Bank Charges	4000	
Audit Fees	2000	
Stationery	400	

7. Following balances are obtained from the books of Arun of Chennai on 31-1-2001. Prepare trading, P/L and Balance Sheet.

Opening Stock	6250	Plants machinery	1150
Sales	59000	Return outward	6900
Depreciation	3335	Cash in hand	4975
Commission	1055	Salaries	3750
Insurance	1900	Debtors	9525
Carriage inwards	1500	Discount	1640
Furniture	3350	Bills receivable	13650
Printing Charges	2405	Wages	7945
Carriage outwards	1000	Return inward	8295
Capital	46140	BankOverdraft	20000
Creditors	8900	Purchases	43395
Bills Payable	2705	Petty cash in hand	235
		Bad debts	900

The Value of stock on 31<sup>st</sup> March, 2001 was Rs.18, 500.

10 Marks:-

1. Format of trading, Profit and Loss, Balance Sheet.
2. Write the adjustments of Final Accounts.
3. From the following prepare trading, Profit and Loss A/c and Balance Sheet as on 31<sup>st</sup> March 2001.

Particulars	Dr	Cr
Opening stock or raw materials		
Opening stock of Finished goods	150000	
Capital		
Purchase of raw-materials	105000	
Sales		360000
Carriage inwards	1290000	
Wages		2000000
Salaries (75% Factory)	20000	
Commission	250000	
Bad debts	130000	
Insurance, Office	15000	
Rent rates and taxes	10000	

Postage and telegram	20000	
Sundry Exp	60000	
Travelling and conveyance	14000	
Carriage outwards	80000	
Machinery	17500	
Furniture	13000	
Debtors	200000	
Creditors	25000	
	300000	
		2627500
	<hr/>	
	2627500	<hr/> 2627500

The closing stocks are as Follow:

Raw-Materials	200000
Finished goods	100000

4. Trial Balance as on 31<sup>st</sup>December 1992.

	Dr	Cr
Freehold Land	35000	
Mortgage Loan	45500	20000
Plant and Machinery	5600	
Loose tools 1-1-92	18200	
Bills payable	11000	
Sales	10500	3400
Cash at bank	300	121500
stock 1-1-1992	560	
Insurance	5400	
Bad debts	50000	
Sundry Creditors	640	
Bills Receivable	1300	
Purchases	250	



