

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

FINANCIAL ACCOUNTING –I

II B.SC MATHEMATICS

UNIT-1 SECTION –C

1. Bank overdraft as per cash Book Rs.1, 10,450
2. Cheque issued on June 20, but not yet presented for payment Rs.15, 000
3. Cheque deposited but not yet presented for Rs.22, 750
4. Bills receivable directly collected by Bank Rs.47, 200.
5. Interest on overdraft debited by bank Rs12, 115.
6. Amount wrongly debited by bank Rs.2400.
7. The following errors were found in the books of Mr.Prakash. Give entries.
 - (i) Salary of Rs.10, 000 paid to Murali has been debited to his personal account.
 - (ii)Rs. 3500 paid for a typewriter was charged to office expenses account.
 - (iii) Rs.8000 paid for purchase of furniture has been charged to purchase account.
 - (iv) Repairs made were debited to building a/c For Rs.500.
 - (v) An amount of Rs.5000 withdrawn by the proprietor for his personal use has been debited to trade expenses a/c.

UNIT –II SECTION-A

1. What is Trading Account?
2. What is profit & Loss account?
3. What do you mean by Balance sheet?
4. What are direct expenses?
5. What are indirect expenses?
6. What do you mean by fixed Assets?
7. What do you mean by outstanding expenses?
8. What do you mean by prepaid expenses?
9. What is Bad debt?
10. What is mean by prepaid expenses?

11. What do you mean by provision for doubtful debt?

Section - B

1. What are the items appearing in trading a/c?
2. Write a model format for a Balance sheet.
3. Write the difference between trial balance and Balance sheet.
4. Prepare Profit and Loss a/c of Mr.sri for the year ending

31-12-2015	Rs.		Rs.
Salary	4000	Discount allowed	400
Insurance	2000	Bad debts	1200
Advertisement	1400	Telephone charges	
Office rent	1000	Trade expenses	1100
Salesmen salary	3200	Gross profit	900
Carriage inwards	800	Rent received	22000
Printing & stationery	1200		1000

[N. P = Rs.6600]

5. From the following particulars of Mr. Joe prepare a Balance sheet as on 31-12-2010.

	Rs.		Rs
Capital	1,00,000	Loan to Mr. John	10,000
Building	1,00,000	Investment	6,000
Bills Receivable	70,000	Drawings	6,000
Furniture	5,000	Cash in hand	7,400
Bills payable	5,000	Net profit	77,800
Plant &		Creditors	31,600
Machinery	9,000	Debtors	40,000
Closing stock	14,000		

[Total Rs.208400]

SECTION –C

1. Explain the various adjustments and treatment in final a/c?
2. The following are the balances of Weifa's

	Rs.		Rs.
Weifa's capital	50,000	Discount (cr)	800
Bank o/d	8,400	Taxes & Insurance	4000
Furniture	5,200	General expenses	8000
Business premises		Salaries	18000
Creditors	40,000	Commission allowed	4400
Opening stock	26,600	Carriage on Purchase	3600
Debtors	44,000	Provision for Doubtful debt	
Rent from tenant	36,000	Bad debt written off	1000
Purchases	2,000		1600
	2,20,000		

Adjustments:

1. Stock on hand on 31-12-95 was Rs.40,120
2. Write off depreciation on Business Premises Rs.600 Furniture Rs.520.
3. Provision of 5% on Debtors for Bad & Doubtful debt.
4. Allow interest on capital at 5% carry forward Rs.1400 for unexpired Insurance.

[G. p= Rs68520; N. p = Rs.32, 300; B/s=Rs119800]

DEPRECIATION

UNIT – III SECTION- A

1. Define Depreciation?
2. What is obsolescence?
3. What is Efflux ion of time?
4. Write a formula to calculate rate of depreciation.

5. A company purchased machinery for Rs.100000. Its installation cost amounted Rs.10, 000. Its estimated life is 5 years and the scrap value is Rs.5000. Calculate the amount and the Rate of depreciation.

[Rs.21000:19%]

6. What are the factors affecting depreciation?

SECTION – B.

1. What are the causes of depreciation?

2. What is straight line method?

3. What is written down value method?

4. On 1-1-2014 there was machines worth Rs.180000. on 30-06-2014 machinery was purchased for Rs.4200 which was purchased for Rs.4000 on 1-1-2014. On 31-12-15 a machine which was purchased on 1-1-2014 for Rs12000 was sold for Rs.8000. Depreciation is 10% P.a on fixed instalment basis. Prepare machinery a/c.

5. Robert co purchased machinery on 1st April 2002. For

RS. 75,000. After using it for 3 years it was sold for Rs.35, 000.

Depreciation provided at the rate of 10% P. a on Diminishing balance method.

Accounts are closed on 31 marches. Find out profit /loss on sale of machinery.

[Loss Rs.19675]

6. A company purchased machinery for Rs.50, 000 on 1 April 2002. It is depreciated at 10% p. a on written down value method. The accounting year ends on 31 March every year. Prepare machinery a/c and Depreciation a/c for 3 years.

[BAL C/D Rs.36, 450]

SECTION – C

1. Explain the methods of providing depreciation.
2. Differentiate between straight line method and Diminishing balance method.
3. On 1st January 2014, machinery purchased for Rs.50, 000.

On 1st July 2015, additions were made for Rs.10, 000, on 1st April 2016, further additions were made to the extent of Rs.6, 400.

On 30th June 2017, machinery the original value of which was Rs.8000. On 1st Jan was sold Rs.6000.

Books of a/c were closed on 31 Dec every year. Show the machinery a/c if depreciation is charged at w% at original cost method.

[Profit on sale of m/c –Rs.800

BALC/D Rs.37980]

4. Machinery showed a balance of Rs.80, 000 on 1st April 2001. On 1st October 2003, machinery was purchased for Rs.48, 000 on 30 Sep 2003, machinery which has book value Rs.80, 000, on 1-4-2001 was sold for Rs.48, 000. Depreciation is to be provided at 10% p. a on written Down value method. Prepare machinery a/c if the year ends on 31 Marches every year.

[P & L a/c (Loss) Rs.13, 560

BAL C/D Rs.45600

5. On 1st April 2005, a firm purchased machinery worth Rs.1, 50,000. On 1st October 2007. It buys additional machinery worth Rs.30, 000 and spends Rs.3000 on its erection. The accounts are closed each year on 31 March Assuming that the annual depreciation is to be 10% show the machinery a/c for 5 years under
 - (i) Straight line method (ii) written Down method.

UNIT –IV

AVERAGE DUE DATE

SECTION -A

1. What do you mean by Average due date?
2. Write the formula for calculating interest under average due date.

SECTION – B

1. What are the uses of Average due date.
2. What are the methods of calculating interest in Average due date?
3. Raghul purchased from Ramu on the date given below.

Rs.1016 due on 12.2.1993

Rs.936 due on 23.3.1993

Rs.136 due on 19.5.1993

Rs.828 due on 22.5.1993

Ascertain the average due date.

[A.D.D=31.3.93]

4. A has the following bills due to B on different dates. Decide on the date of cheques.

Rs. 6000 due on 17.7.96

Rs. 4000 due on 15.8.96 (Independence Day)

Rs.14000 due on 18.9.96 (Sunday)

Rs. 6000 due on 3.10.96.

[A.D.D=3.9.96]

5. Find out the Average due date.

	Amount	period
	Rs.	
1989 Jan 15	250	3month
1989 Mar 14	400	5 month
1989 April 10	500	1 month
1989 April 22	200	2 months

[A.D.D=9.6.89]

SECTION –C

1. Moorthy owes Mukesh Rs.1340 on Jan 1 2015. The following transactions are.

Jan 16, Moorthy buy goods Rs.1400

Feb 2, Moorthy received cash Rs.1100.

Mar 5, Moorthy buys goods Rs.500.

Moorthy pays the whole amount on 31st March 2015.

Find out Average Due Date and Interest.

SINGLE ENTRY SYSTEM

UNIT – V SECTION – A

1. Define single entry system.
2. What is net worth method?
3. What is conversion method?
4. What is statement of affairs?
5. Write the format for statement of Profit.
6. Write the format of Debtors a/c.

SECTION – B

1. Find out Profit /Loss from the following.

Rs.

Opening capital	4, 00,000
Drawings	90,000
Closing capital	5, 00,000
Additional capital	30,000

[N. p= Rs.16, 00, 000

8. From the following information, calculate Total Purchase

	Rs.
Opening balance of creditors	30,000
Closing balance of creditors	20,000
Cash paid to creditors	1, 51,000
Acceptance given to creditors	54,500
Return outwards	6,000
Cash purchases	1, 29,000

9. Mr. Senthil started the business with Rs.2, 00, 000 on 1st April 2013. This book as on 31 March 2014.

Liabilities	Rs.	Asset	Rs.
Sundry creditors	40,000	Cash in hand	6,000
Bills payable	5,000	Cash at Bank	10, 000
Outstanding creditors	7,500	Furniture	30, 000
		Plant & Machinery	1, 00, 000
		Debtors	50,000
		Stock	90,000
		Bills receivable	15,000
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	52,500		52,500
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Ascertain Profit or Loss made for the year ended 31mar' 14.

[Op. capital =Rs.248500

Profit = Rs.48500]

SECTION -C

1. Distinguish between single entry and double entry.

2. Mr. Prakash keeps his books by single entry. His position on 1-4-2013 and 31-3-2014 was

	1-4-2013	31-3-2014
	Rs.	Rs.
Cash	500	600
Bank balance	10,000	15,000
Stock	7,000	10,000
Debtors	30,000	40,000
Furniture	6,000	6,000
Creditors	6,000	12,000

Additional Capital Rs. 8000. He withdraws Rs14000 for domestic used. Find out profit

[Rs.23,500]

3. Surya keeps his books under single entry system. His position on 31 December 2014 was as follows.

	Rs.
Cash in hand	200
Cash at Bank	3,000

Stock	20,000
Debtors	82,000
Furniture	1,800
Machinery	15,000
Creditors	22,000

During the year, he introduced Rs.5000 as further capital and withdraws Rs.750 per month. On 31 December 2015 his position,

	Rs.		Rs.
Cash in hand	300	Stock	19,000
Cash at Bank	2,000	Plant & Machinery	27,000
Sundry Debtors	14,000	Furniture	1,500
Sundry creditors	29,000	End included a machine	Rs.1, 50,000 which was

Purchased On 31-12-2014.

[Cap Rs.26,500; Capital Rs.34800; NP= 9300 Open =Rs3000]

13. Mr. Ranjith started a cloth business. His books are under single entry.

Prepare the final a/c for the year ended 31 Dec 2007.

	Rs.		Rs.
Capital	18,000	Bills receivable	3400
Creditor	11,000	Bills Payable	1600
Debtor	14,000	Plant & Machinery	1800
Cash	2,400	Stock	9000

Transaction during the year, Bills accepted Rs.10, 200; Acceptance paid Rs.6000, Bills receivable received Rs.5400, cash received from B/R honoured Rs.6000, cash received from Debtors Rs72,000, cash paid to creditors Rs.48,000, Discount allowed Rs.3000, Discount earned Rs.1200, cash paid for expenses Rs.17600 Debtors on 31 Dec 2007, Rs18,000

Creditor Rs. 7,200. Stock Rs.12, 000.

[G. p. Rs31800; N. p =Rs.12400; B/s =Rs.43, 400