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

**SEMESTER EXAMINATIONS**

 **NOVEMBER - 2016 15CACO1A/ CACO1A**

 **ACCOUNTING FOR BUSINESS - Ι**

**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***Time : 3 Hrs Max.Marks : 75

SECTION-A (10 x 2 =20)

 **Answer ALL the questions.**

1. Define Accounting.
2. Rectify the following errors:
	* + 1. Purchases Book is over cast by Rs.300 (for the month of March)
			2. Sales book has been under cast by Rs.200.
3. Ascertain cost of goods sold from the following:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Rs. |  | Rs. |
| Opening stock | 17,000 | Indirect expenses | 10,400 |
| Purchases | 61,400 | Closing stock | 18,000 |
| Direct expenses |  9,600 |  |  |

1. What is a Trail Balance?
2. A company purchased a plant for Rs.50,000. The useful life of the plant is 10 years and the residual value is Rs.10,000. Find out the rate of depreciation under the straight- line method.
3. What is Depreciation?
4. What is Average Due Date?
5. What is the formula to find out Average Due Date?
6. Find out profit from the following data:

|  |  |
| --- | --- |
|  | Rs. |
| Capital at the beginning of the year | 8,00,000 |
| Drawings during the year | 1,80,000 |
| Capital at the end of the year | 9,00,000 |
| Capital introduced during the year |  50,000 |

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 |
|  |  |

SECTION-B (5 x 5 =25)

 **Answer any FIVE of the following questions.**

1. Journalise the following transactions in the book of Sri. T.N. of Coimbatore:

|  |  |
| --- | --- |
| 2015 |  |
| Oct 1 | Commenced business with Rs.50,000 |
| 3 | Purchased goods for cash Rs.10,000 at 5% trade discount. |
| 4 | Paid carriage Rs.50 |
| 8 | Purchased machinery for Rs.20,000 |
| 10 | Sold goods to Madan on account for Rs.15,000 |

1. Prepare Trail Balance from the following:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Rs. |  | Rs. |
| Capital |  9,000 | Rent outstanding | 1,000 |
| Plant and machinery | 12,000 | Opening stock | 2,000 |
| Purchases |  8,000 | Sales Returns | 4,000 |
| Sales | 12,000 | Investments | 14,000 |
| Sundry creditors |  8,000 | Debtors | 12,000 |
| Bank loan  | 22,000 |  |  |

1. A machine purchased on 1st July 2013 at a cost of Rs 14,000 and 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs.9,500 on 31st March 2016. Show the machinery account for all the years.
2. From the following balance extracted at the close of the year ended 31st Dec.2015, prepare Profit and Loss account of Mr. Raj as at the date:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Rs. |  | Rs. |
| Gross profit | 55,000 | Repairs |  500 |
| Carriage on sales |  500 | Telephone expenses |  520 |
| Office rent  |  500 | Interest (Dr.) |  480 |
| General expenses |  900 | Fire insurance premium |  900 |
| Discount to customers |  360 | Bad debts | 2,100 |
| Interest from Bank  |  200 | Apprentice premium(Cr.) | 1,500 |
| Travelling expenses |  700 | Printing & stationery | 2,500 |
| Salaries |  900 | Trade expenses |  300 |
| Commission |  300 |  |  |

1. Mr. Mano keeps his books of accounts under single entry system. His financial position on 31.12.2010 and 31.12.2011 was as follows:

|  |  |  |
| --- | --- | --- |
|  | 2010Rs. | 2011Rs. |
| Cash | 9,860 | 800 |
| Stock in trade  | 38,520 | 57,020 |
| Plant & machinery  | 54,420 | 61,000 |
| Bills receivable |  - | 16,480 |
| Sundry Debtors | 24,840 | 43,940 |
| Sundry Creditors | 72,040 | 80,000 |
| Furniture | 4,960 | 5,220 |
| Drawings |  - | 5,000 |

During the year he introduction additional capital of Rs.20,000

From the above particulars prepare a statement of profit and loss of Mr. Mano for the year ended 31.12.2011.

1. From the following information ascertain opening Stock (i.e., on 01-01-2015)

|  |  |
| --- | --- |
|  | Rs. |
| Purchases made during 2015 | 2,50,000 |
| Sales made during 2015 | 3,25,000 |
| Stock on 31-12-2015 |  60,000 |
| Wages |  3,000 |
| Rate of gross profit on cost |  25% |

1. Write short note on “Accounting Conventions”.
2. R owes S the following sums of money due from him on the dates stated:

Rs.300 due on March 9. 2013.

Rs.1,000 due on April 2. 2013.

Rs.4,000 due on April 30. 2013.

Rs.100 due on June 1. 2013.

 He wants to make the complete payment on 30-6-2013. Calculate interest at 5%p.a.with the help of

 average due date method.

SECTION-C (3 x 10 =30)

 **Answer ALL the questions.**

1. (a) Prepare a Bank Reconciliation Statement from the following data as on 31-12-2015.

|  |  |
| --- | --- |
|  | Rs. |
| 1. Balance as per cash book
 | 12,500 |
| 1. Cheques issued but not presented for payment
 |  900 |
| 1. Cheques deposited in bank but not collected
 | 1,200 |
| 1. Bank paid insurance premium
 |  500 |
| 1. Direct deposit by a customer
 |  800 |
| 1. Interest on investment collected by bank
 |  200 |
| 1. Bank charges
 |  100 |

(Or)

(b) From the following Trail Balance extracted from the books of Kamalnath prepare trading and

 Profit &Loss A/c and Balance Sheet for the year ended 31.12.2015.

|  |  |  |  |
| --- | --- | --- | --- |
| Debit balances | Rs. | Credit balances | Rs. |
| Cash at Bank |  2,610 | Creditors |  4,700 |
| Book Debts | 11,070 | Discounts |  150 |
| Salaries |  4,950 | Creditors for expenses |  400 |
| Carriage inwards |  1,450 | Returns outwards |  2,520 |
| Carriage outwards |  1,590 | Sales | 80,410 |
| Bad debts |  1,310 | Capital | 40,000 |
| Office expenses |  5,100 |  |  |
| Purchases | 67,350 |  |  |
| Return inwards |  1,590 |  |  |
| Furniture & Fixtures |  1,500 |  |  |
| Stock  | 14,360 |  |  |
| Insurance  |  3,300 |  |  |
| Depreciation on property |  1,200 |  |  |
| Free hold property | 10,800 |  |  |
|  | 1,28,180 |  | 1,28,180 |

 Adjustment:

* 1. Make provision for doubtful debts at 5%.
	2. Calculate discount on creditors @2%.
	3. Office expenses include stationery purchased Rs.800
	4. Carriage inwards includes carriage paid on purchase of furniture Rs.50
	5. Outstanding salaries Rs.150
	6. Prepaid insurance Rs.300
	7. Stock on hand Rs .10,700 (including stationery stock Rs.200).
1. (a) George Co. Ltd., Purchased a machine on 1st January 1995 for Rs. 50,000.On 1st July 1995

 further machinery was purchased for Rs. 25,000. On 1st July 1996, the machinery purchased on

 1st January 1995 having become obsolete, was sold off for Rs.20,000. Depreciation has to be

 charged at 20% on the original cost assuming that the accounts are closed every year on 31st

 December. You are required to prepare:

1. Machinery A/c
2. Provision for Depreciation A/c.

(Or)

 (b) A partner has withdrawn the following sums of money during the half year ending 30-6-94.

|  |  |  |  |
| --- | --- | --- | --- |
| Jan 15 | Rs.300 | April 20 | Rs.400 |
| Feb 18 | Rs.250 | May 16 | Rs.300 |
| Mar 10 | Rs.150 | June 18 | Rs.500 |
| Mar 26 | Rs.200 |  |  |

.

 Interest is to be charge at 8%p.a. find out the average due date and calculate the amount of

 interest to be debited to the partner.

1. (a) Mr. X keeps his books under single entry system. from the following, prepare Trading and P & L

 A/c and Balance Sheet as on 31.3.2014.

 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 31.3.2013(Rs.) | As on 31.3.2014 (Rs.) |
| Stock on 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 |

 Provision 5% Interest on X’s capital balance as on 1-4-2013. Provide Rs.1,500 for doubtful

 debts, 5% depreciation on all fixed assets. 5% group incentive commission to staff has to be

 provided for on net profit after meeting all expenses and the commission.

(Or)

 (b) Explain the concepts of Accounting.

**\* \* \* \* \* \* \***