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| **Reg No:** |  |  |  |  |  |  |  |  |  |  |  |

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

**SEMESTER EXAMINATIONS**

**NOVEMBER- 201815CACO3B**

**ALLIED :FINANCIAL ACCOUNTING – I**

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

SECTION-A (10 x 2 =20)

**Answer ALL the questions.**

1. Define Accounting.
2. What is Double entry system?
3. What is Gross Profit?
4. What is Balance sheet?
5. What do you mean by Depreciation?
6. State any two causes of Depreciation.
7. What is meant by Average Due Date?
8. Write any two problems of Average Due Date.
9. What do you understand by conversion method?
10. What is Statement of affairs?

SECTION-B (5 x 5 =25)

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

1. Rectify the following errors:
   * 1. Purchase book was under cast by Rs. 2,000
     2. Sales book was overcast by Rs. 200
     3. Bills receivable book was over cast by Rs. 500
2. Prepare Trading and Profit and Loss account for the year ended 31 st March 2016:

Bad debts 125

Opening stock 3,460

Purchases 5,475

Sales 15,450

Sales returns 200

Purchases returns 125

Postage &Stationery 875

Advertising 450

Interest (Dr.) 118

Commission (Cr.) 1,250

Taxes and Insurance 1,250

General Expenses 782

Salaries 3,300

Closing stock 3,250

1. Distinguish between Straight line method and Diminishing balance method.
2. What are the uses of Average Due Date?
3. Siva, a retail merchant commenced business with a capital; of Rs.12,000 on 1.1.2014.Subsequently on 1.5.2014 he invested further capital of Rs.5,000.During the year, he has withdrawn Rs.2,000 for his personal use. On, 31.12.2014, his assets and liabilities were as follows:-

Cash at Bank 3,000

Debtors 4,000

Stock 16,000

Furniture 2,000

Creditors 5,000

Calculate the Profit or Loss made during the year 2014.

1. The bank overdraft of Rajini on 31.12.2003 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement: Rs.
2. Unpresented cheque 3,000
3. Uncleared cheque 1,700
4. Bank interest debited in the pass book only 500
5. Bill collected and credited in the pass book only 800
6. Cheque of Renudishonoured 500
7. Cheque issued to Sekar entered in the cash column

of cash book 300

1. A firm purchased a machine for Rs.1,00,000 on 1-7-95. Depreciation is written off @ 10% on reducing balance method. The firm closes its books on 31st Dec. each year. Show the Machinery A/c upto 31-12-97.
2. Differentiate between Single Entry System and Double Entry System.

SECTION-C (3 x 10 =30)

**Answer ALL the questions.**

1. (a) Explain Accounting Concepts.

(Or)

(b)Rectify the following errors.

a.Repairs made were debited to Building account Rs. 1,000

b.Sugumar returned goods worth Rs. 2,000. No entry was passed in the books to this effect.

c.Rs. 3,000 paid to Deja as salary for the month of December was debited to her personal

account.

d.Rs. 5,200 paid for the purchase of a Typewriter was charged to office expenses account.

e.A cheque of Rs. 600 received from Ravi having been dishonored was wrongly debited to

Ravi’s account.

1. (a)From the following balances as at 31st December 2014 of a trader, Prepare Trading and Profit

and Loss Account for the year 2014 and Balance sheet as on that date:

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Rs.** | **Particulars** | **Rs.** |
| Salaries  Rent  Cash  Debtors  Trade expenses  Purchases  Advances  Bank balance | 5,500  1,300  1,000  40,000  600  25,000  2,500  5,600 | Creditors  Sales  Capital  Loans | 9,500  32,000  30,000  10,000 |
| **81,500** | **81,500** |

Adjustments:

(i)The closing stock amounted to Rs.9,000.

(ii) One month’s salary is outstanding.

(iii) One month’s rent has been paid in advance.

(iv) Provide 5 percent for doubtful debts.

(Or)

(b)A company whose accounting year is the calendar year, purchased on 1.1.2013 a

Machine for Rs.40,000.It purchased further machinery on 1st Oct.2013 for Rs.20,000

and on 1st July 2014 for Rs.10,000.On 1.7.2015, 1\4th of the Machinery installed

on 1.1.2013 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.

1. (a)Siva drew upon Sathya several bills of exchange due for payment on different dates as under:

|  |  |  |
| --- | --- | --- |
| **Date of the Bill** | **Amount** | **Tenure of the Bill** |
| 1.6.2008  19.6.2008  10.7.2008  27.7.2008  07.8.2008  15.08.2008 | 1,200  1,600  2,000  1,500  1,800  2,400 | 3 months  2 months  3 months  3 months  1month  2 months |

Find out Average due date on which payment may be made in one single amount.

(Or)

(b) Mr. Hari keeps his books by the single entry methods his position on 31-12-2015 and

31-12-2016 was follows:

|  |  |  |
| --- | --- | --- |
|  | **2015** | **2016** |
| **Particulars** | **Rs.** | **Rs.** |
| Cash in hand | 200 | 300 |
| Cash at bank | 3,000 | 2,000 |
| Stock in trade | 20,000 | 19,000 |
| Sundry debtors | 8,500 | 14,000 |
| Furniture | 1,800 | 1,500 |
| Plant | 15,000 | 27,000 |
| Sundry creditors | 22,000 | 29,000 |

During the year Mr. Hari introduced Rs. 5,000 as further capital and withdrew Rs. 750

p.m. From the above prepare a statement showing the profit or loss made by him for the year

ended 31-12-2016.

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