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

**SEMESTER EXAMINATIONS**

**NOVEMBER - 2017 15CCO1A / CCO1A**

**FINANCIAL ACCOUNTING - I**

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

SECTION-A (10 x 2 =20)

**Answer ALL the questions.**

1. What do you meant by Accounting?
2. Give two objectives of Accounting?
3. Define: Depreciation.
4. Write a note on: i) Reserves.
5. What is ‘Average Clause’ in fire Insurance Claims?
6. Write the meaning of Average due date.
7. Give any four examples for Fixed Assets.
8. What is Bank Reconciliation Statement?
9. What is Single Entry System of Accounting?
10. Bring out any four limitations of Single Entry System of Accounting.

SECTION-B (5 x 5 =25)

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

1. Who are all interested in accounting information? Explain.
2. Rectify the following errors without using suspense account:
3. Purchase of Rs.500 from Gopal wrongly entered in the Sales Book.
4. Goods taken by the proprietor Rs. 1,000 not recorded in the books at all.
5. Salaries paid to Ramesh Rs.1,500 debited to his personal account.
6. Discount of Rs.50 allowed to Sundar has been credited to discount account
7. Credit Sales to Ramu Rs.1,500 wrongly posted to the credit of his account.
8. An asset is purchased for Rs. 25,000. Depreciation is to be provided annually according to straight line method. The useful life of the asset is 10 years and the residual value is Rs.5000.

You are required to find out the annual amount of depreciation and the rate of depreciation.

1. A fire occurred in the Premises of X Ltd., on 10.10.2016. All stocks were destroyed except to the extent of Rs. 6, 200. From the following figures, ascertain the loss of stock suffered by the company: Rs.

Stock on 1.1.2005 40,000

Purchases during 2015 1,45,000

Sales during 2015 2,00,000

Stock on 31.12.2015 25,000

Purchases during 2016 up to the date of fire 1,52,200

Sales during 2016 up to the date of fire 1,89,000

1. Prepare trading account of Mrs. PK for the year ending 31.12. 2016 from the following.

Rs.

Opening Stock 80,000

Purchase 8,60,000

Freight Inward 52,000

Wages 24,000

Sales 14,40,000

Return Outwards 10,000

Return Inwards 3,16,000

Closing Stock 1,00,000

Carriage inward 30,000

1. Mr. Raman keeps his books by single entry. He started on business on 1st January, 2016 with Rs. 1,00,000. On 31st December his position was as under:

Rs. Rs.

Cash in hand 2,500 Cash at Bank 5000

Furniture 12,500 Plant 50,000

Sundry Debtors 25,000 Stock 45,000

Bills Receivables 5,000 Sundry Creditors 20,000

Bills Payable 2,500 Outstanding Creditors 2,500

Ascertain the profit or loss made by Mr. Raman during 2016.

1. Distinguish between Single Entry system and Double Entry system.
2. Explain various methods of providing depreciation.

SECTION-C (3 x 10 =30)

**Answer ALL the questions.**

1. (a) What do you meant by errors in the preparation of accounts? Explain the various

types of errors not disclosed by a trial balance.

(Or)

(b) Prepare a bank reconciliation statement from the following data as on 31.12.2016.

1. Balance as per cash book Rs.12,500
2. Cheques issued but not presented for payment Rs. 900
3. Cheques deposited in bank but not collected Rs.1,200
4. Insurance Premium paid through bank Rs. 500
5. Direct deposit in to bank account by customers Rs. 800
6. Interest on investment collected by bank Rs. 200
7. Bank charges debited in Bank Account Rs.100.
8. (a) On 31st December 2011 the following Trail Balance extracted from the books of

Manickam.

|  |  |  |
| --- | --- | --- |
|  | Dr.  Rs. | Cr.  Rs. |
| Capital  Plant & Machinery  Sales  Purchases  Returns  Opening stock  Discount  Bank charges  Debtors  Creditors  Salaries  Wages  Carriage inward  Carriage outward  Bad debts provision  Rent, Rates & Taxes  Advertisement  Cash in Hand  Cash at Bank | -  80,000  -  60,000  1,000  30,000  350  75  45,000  -  6,800  10,000  750  1,200  -  10,000  2,000  900  6,000 | 50,000  -  1,77,000  -  750  -  800  -  -  25,000  -  -  -  -  525  -  -  -  - |
| 2,54,075 | 2,54,075 |

You are asked to prepare the trading and Profit and Loss A/C for the year ended 31st December 2011 and the Balance Sheet as on that date. The following adjustments are required.

1. Closing stock Rs. 35,000
2. Depreciation of plant & machinery at 6%.
3. Bad debts provision to be adjusted to Rs. 500
4. Interest on capital to be allowed at 5% p.a.
5. 2% of the profits is to be carried to reserved fund.

(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 October, 2013 for Rs.20,000 and on 1st July

2015 one fourth of the machinery installed on 1st January, 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 three

years (2013-2015), if depreciation is provided @10% p.a. under diminishing balance method.

1. (a) A partner has withdrawn the following sums of money during half yes ended 30th June

2010.

Rs.

10 January 2,000

18 February 1,200

5 March 600

12 April 800

21 May 1,000

1 June 600

Find out the average due date and calculate the interest to be charged at the rate of 10% for the

half year ended June 30, 2010.

(Or)

(b) From the following details prepare trading and profit and loss account and balance sheet.

|  |  |  |
| --- | --- | --- |
| Particulars | As on 1.1.2016  (Rs.) | As on 31.12.2016  (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 |

Others details:

Drawings Rs. 10,000; Bad Debts Rs. 1,250 ; Discount received Rs. 3,750; Discount

Allowed Rs. 2,500; Sundry Expenses Rs. 7,500; Sales Returns Rs. 3,750; Purchase

Returns Rs. 1,750 ; Payment to Creditors Rs. 1,12,500; Collection from Debtors Rs.1,33,750

and Charge depreciation on Furniture @ 5% .

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