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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.

11. Who are all interested in accounting information? Explain.
12. Rectify the following errors without using suspense account:
 - i. Purchase of Rs.500 from Gopal wrongly entered in the Sales Book.

- ii. Goods taken by the proprietor Rs. 1,000 not recorded in the books at all.
- iii. Salaries paid to Ramesh Rs.1,500 debited to his personal account.
- iv. Discount of Rs.50 allowed to Sundar has been credited to discount account
- v. Credit Sales to Ramu Rs.1,500 wrongly posted to the credit of his account.

13. 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.

14. 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

15. 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

16. 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.

17. Distinguish between Single Entry system and Double Entry system.

18. Explain various methods of providing depreciation.

SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (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.

- i. Balance as per cash book Rs.12,500
- ii. Cheques issued but not presented for payment Rs. 900
- iii. Cheques deposited in bank but not collected Rs.1,200

- iv. Insurance Premium paid through bank Rs. 500
- v. Direct deposit in to bank account by customers Rs. 800
- vi. Interest on investment collected by bank Rs. 200
- vii. Bank charges debited in Bank Account Rs.100.

20. (a) On 31st December 2011 the following Trail Balance extracted from the books of Manickam.

	Dr.	Cr.
	Rs.	Rs.

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

- (i) Closing stock Rs. 35,000
- (ii) Depreciation of plant & machinery at 6%.
- (iii) Bad debts provision to be adjusted to Rs. 500
- (iv) Interest on capital to be allowed at 5% p.a.
- (v) 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.

21. (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% .

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