|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Reg No: |  |  |  |  |  |  |  |  |  |  |  |

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

**SEMESTER EXAMINATIONS**

**NOVEMBER - 2016 15CCO1A /CCO1A**

**FINANCIAL ACCOUNTING - Ι**

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

SECTION-A (10 x 2 =20)

**Answer ALL the questions.**

1. What is Accounting Period Concept?
2. What is meant by error of commission?
3. Define Depreciation.
4. Write any two causes of depreciation.
5. What is Average Clause?
6. What is Trading Account?
7. What is statement of affairs?
8. Give Journal entries to rectify the following errors:
   1. Sold old furniture for Rs.1,500 passed through the sales book.
   2. Paid Rs. 1,000 for the installation of machinery debited to wages account.
9. A company purchased a plant for Rs.25,000. the useful life of the plant is 5 years and the residual value is Rs. 10,000. Find out the rate of depreciation under the straight line method.
10. Calculate the profit from the following particulars:

|  |  |
| --- | --- |
| Capital as on 1.4.2015 | Rs. 32,000 |
| Capital as on 31.03.2016 | Rs. 36,000 |
| Drawings made during the year | Rs.10,000 |
| Capital introduced | Rs. 6,000 |

SECTION-B (5 x 5 =25)

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

1. An accountant could not tally the trial balance. The following errors were discovered.
2. Sales book overcast by Rs.100
3. Machinery purchased for Rs.10,000 to purchases account.
4. Rs.5,000 received from Kamaraj have been credited to Ramaraj
5. Purchased goods for the personal use of the proprietor for Rs.300 debited to purchased account.
6. Purchases of Rs.1000 from Gopal wrongly entered in the sales book.
7. Purchased book under cast by Rs.500

Pass Journal Entries.

1. A company purchased a second hand plant for Rs.30,000. It immediately spent on it Rs.5,000. The plant was put to use on 1.1.2010. After having used it for five year, it was sold for Rs.15,000. You are required to prepare the plant A/c for 5 years, providing depreciation at 10% on written down method.
2. A fire occurred in a concern on 5.10.08 and all the stock are destroyed, except salvage of Rs.6,240. From the following calculate claim to be made for loss of stock.

|  |  |
| --- | --- |
|  | Rs. |
| Stock on 1.1.07 | 40,500 |
| Purchased for 2007 | 1,40,000 |
| Sales for 2007 | 2,00,000 |
| Stock on 31.12.2007 | 22,500 |
| Purchases to the date of fire (1.1.08 to 5.10.08 ) | 1,46,000 |
| Sales to the date of fire (1.1.08 to 5.10.08) | 1,89,450 |

It was the practice of the firm to values stock 10% below its cost

1. Kannan purchased goods from Raman, the due dates for payment in cash being as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| March | 15,2015 | Rs .1,000 | Due 18th | April, | 2015 |
| April | 21,2015 | Rs.1,500 | Due 24th | May, | 2015 |
| April | 27,2015 | Rs. 500 | Due 30th | June, | 2015 |
| May | 15,2015 | Rs. 600 | Due 18th | July , | 2015 |

Kannan agreed to draw a bill for the total amount due on the average due date. Ascertain that date.

1. Mr. Raman keeps his books under single entry system. His position on 31st December, 2010 was as follow.

|  |  |
| --- | --- |
|  | Rs. |
| Cash | 10 |
| Bank | 990 |
| Stock of goods | 7,000 |
| Sundry debtors | 15,000 |
| Furniture | 3,000 |
| Sundry creditors | 3,000 |

On 31st December, 2011 his position was as follows:

|  |  |
| --- | --- |
|  | Rs. |
| Cash | 2,000 |
| Bank | 1,000 |
| Stock of goods | 10,000 |
| Sundry debtors | 20,000 |
| Furniture | 3,000 |
| Sundry creditors | 6,000 |

On 31st December, 2011 he finds that he has withdrawn Rs.7,000 for his domestic use and

has at various times introduced additional capital amounting to Rs.3,000.

From the above, prepare a statement showing profit or loss made by him for the year ended

31st December 2011.

1. From the following particulars extracted from the books of Mr. A, prepare Trading a/c and profit and loss a/c for the year ended 31.03.2014.

|  |  |
| --- | --- |
|  | Rs. |
| Stock 1.4.13 | 8,000 |
| Purchases | 70,000 |
| Wages | 15,000 |
| Sales | 1,25,000 |
| Carriage inwards | 800 |
| Gas | 2,200 |
| Purchase return | 2,000 |
| Sales return | 1,500 |
| Salaries | 1,000 |
| Rent | 750 |
| Interest | 2,000 |

Adjustment :

1. Value of closing stock Rs.10,000
2. Outstanding rent Rs.100
3. Depreciation Rs.500
4. What is Single Entry System? Explain the features of single entry system.
5. Distinguish between Single Entry system and Double Entry system.

SECTION-C (3 x 10 =30)

**Answer ALL the questions.**

1. (a) From the following particulars prepare a Bank Reconciliation Statement as on 31.3.2016.

Overdraft balance as per Pass Book on 31.3.2016 is Rs.13, 095.

1. Cheque deposited in bank not recorded in cash book Rs.105.
2. Cheque received and recorded in cashbook not sent for collection Rs.10,015.
3. Cheques issued for Rs.15,075, but cheques for Rs.9,075 alone were debited in the passbook.
4. Cheques paid into bank for Rs.9,400, but cheques for Rs.3,550 alone not credited in the passbook.
5. Insurance Rs.250 paid by bank but not credited in cashbook.
6. Bank charges Rs.30 was recorded twice in the cashbook.
7. Interest of Rs.1,400 debited in the passbook not recorded in cashbook.

(Or)

(b) A second hand machinery was purchased on 1.1.10 for Rs.30,000 and repair charges amounted

to Rs.6,000. It was installed at a cost of Rs.4,000. On 1st July 2011,another machine was

purchased for Rs.26,000. On 1st July 2012, the first machine was sold for Rs.30,000. On the

same day one more machine was bought for Rs.25,000. On 31.12.12 the machine

bought on 1st July 2011 was sold for Rs.23,000. Accounts are closed on 31st December .

Depreciation is written off at 15% per annum under straight line basis. Prepare machinery a/c for

3 year ending 31.12.12.

1. (a) Fire occurred in the premises of Bad Luck Ltd., on 20th February, 2012. The company has taken

out a fire insurance policy of Rs.1,00,000 covering its stock in trade in trade and the policy was

subject to average clause. From the following particulars ascertain the claim to be lodged.

|  |  |
| --- | --- |
|  | Rs. |
| Stock on 1st January ,2011 | 90,000 |
| Purchases during the year 2011 | 3,65,000 |
| Purchases Returns during the year 2011 | 5,000 |
| Stock on 31st December ,2011 | 1,26,000 |
| Sales for the year 2011 | 4,10,000 |
| Sales Returns during the year 2011 | 10,000 |
| Purchases from 01.01.2012 to date of fire | 84,000 |
| Sales from 01.01.2012 to date of fire | 1,03,000 |
| Sales Returns from 01.01.2012 to date of fire | 4,000 |
| Value of stock saved | 19,800 |

It was the practice of the concern to value stocks at cost less 10%.

(Or)

(b) Prepare a Trading and Profit and Loss A/c for the year ended 31ST March, 2016 and Balance

sheet of the Prestige Trading Company as on that date, from the following extracts of ledger

balances and additional information.

|  |  |
| --- | --- |
|  | Rs. |
| Proprietor’s Capital Account | 1,19,400 |
| Proprietor’s Drawing Account | 10,550 |
| Bills Receivable | 9,500 |
| Plant and Machinery | 28,800 |
| Wages | 40,970 |
| Salaries | 11,000 |
| Sundry Debtors | 62,000 |
| Sundry creditors | 59,630 |
| Loan (Cr) | 20,000 |
| Returns inwards | 2,780 |
| Purchases | 2,56,590 |
| Sales | 3,56,430 |
| Commission received | 5,640 |
| Discount allowed | 5,870 |
| Rent and Taxes | 5,620 |
| Stock on 1.4.2015 | 89,680 |
| Travelling expenses | 1,880 |
| Insurance | 400 |
| Cash | 530 |
| Bank (Debit balance) | 18,970 |
| Repairs and Renewals | 3,370 |
| Fixtures and fitting | 8,970 |

The following additional information is also available.

* + 1. Stock on hand on 31.3.16 was Rs.1,28,960
    2. Depreciation- plant and machinery – 10%
    3. Outstanding wages – Rs.530
    4. Prepaid Rent and Taxes - Rs. 250
    5. Provide provision for doubtful debts at 10%.

1. a) Ramesh keeps his books on single entry basis. Prepare a statement of affairs as on 31.10.2010

and a statement of profit (or) loss for the period ending 31.10.2011.

|  |  |  |
| --- | --- | --- |
| Assets & Liabilities | 01.11.2010  Rs. | 31.10.2021  Rs. |
| Bank Balance | 560(Cr) | 350(Dr) |
| Cash on Hand | 10 | 50 |
| Debtors | 4,500 | 3,600 |
| Stock | 2,700 | 2,900 |
| Plant | 4,000 | 4,000 |
| Furniture | 1,000 | 1,000 |

Ramesh had withdrawn Rs.2,000 during the year and had introduced fresh capital of Rs.4,200 on

01.07.2012. A provision of 5% on debtors is necessary. Write off Depreciation on plant at 10%

and furniture at 15%. Interest on capital is to be allowed at 5%.

(Or)

(b) From the following details, prepare trading, profit & Loss account and Balance Sheet.

|  |  |  |
| --- | --- | --- |
|  | 1.1.11  Rs. | 31.12.11  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 |
|  |  |  |
| Other details: |  |  |

Drawing Rs.10,000; bad debts Rs.1,250; discount received Rs.3,750; Discount allowed

Rs.2,500 sundry expenses Rs.7,500; payment to creditors Rs.1,12,500; collection from

debtors Rs.1,33,750; sales returns Rs.3,750; Purchase returns Rs.1,250; charge 5%

depreciation on furniture.

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