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

**SEMESTER EXAMINATIONS**

**NOVEMBER – 2018 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 mean by Double entry system of Accounting?
2. Give the meaning of error of commison.
3. Define depreciation.
4. What is Bank reconciliation statement?
5. Give the meaning of salvage.
6. Give the formula for Average Due Date.
7. What is Balance Sheet?
8. Pass necessary journal entries.
9. Salaries outstanding Rs 10,000
10. Commission received in advance Rs 1,000.
11. Define single entry.
12. Give any two limitations of Single entry system.

**SECTION – B (5 X 5 =25)**

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

1. The bank overdraft of Surya on 31-1-93 as per cash book is Rs 9000. From the following particulars prepare bank reconciliation statement.
2. Unpresented cheque Rs 3000.
3. Uncleared cheque Rs 1700
4. Bank interest debited in the pass book only Rs 500
5. Bill collected and credited in the pass book only Rs 800
6. Cheque of Raj dishonored Rs 500
7. Cheques issued to Sekhar entered in the cash coloumn of cash book Rs 300.
8. A machine purchased on 1st July 1983 at a cost of Rs 14,000 and Rs 1000 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 9500 on 31st March 1986. Show the machinery account for all the three years.
9. A fire occurred in the premises of X Ltd on 10.10.91. All stocks were destroyed except to the extent of Rs 6200. From the following figures, ascertain the loss of stock suffered by the company.

Stock on 1.1.90 Rs 40,000

Purchases during 1990 Rs 1,45,000

Sales during 1990 Rs 2,00,000

Stock on 31.12 90 Rs 25,000

Purchases during 1991 up to the date of fire Rs 1,52,000

Sales during 1991 up to the date of fire Rs 1,89,000.

1. Prepare trading and profit and loss Account from the information given below.

Opening stock Rs 3600, purchases Rs 18,260, wages 3,620, closing stock 4420, sales 32000, carriage on purchases 500, carriage on sales 400, Rent ( Factory) 400, Rent ( office) 500, Sales Returns 700, purchase returns 900, General expenses 900, Discount to customers 360, Interest from Bank 200.

1. Find out purchases and sales from the following details by making necessary accounts:

Opening balance of Debtors Rs 30000, Opening balance of Creditors Rs 10000, Collections from Debtors 1,60,000, Discount received Rs 2500, Bad debts 1000, Payment to Creditors 14,000, Discount allowed 1500, Return inwards 2000, Return outwards 3000, Cash purchases 6000, Cash sales 10,000, Closing balance of Debtors 35,000, Closing balance of creditors 15,000.

1. The following amounts are due to Ramesh by Suresh. Suresh wants to pay off (i) on 18-3-97 or (ii) on 14-7-97. Interest rate of 8% p.a is taken into consideration.

Due Dates RS

10-01-97 1000

26-01-97 ( Republic Day) 2000

23-03-97 6000

18-08-97 ( Sunday) 8000

Determine the amount to be paid in (i) and in (ii).

1. Rectify the following errors which are discovered in the books of Raj &CO
2. The returns outward book is overcast by Rs 500.
3. Received Rs 200 from Shyam debited to his account.
4. The purchase book was undercast by Rs 1000.
5. A payment of Rs 500 for Salaries to Raju has been posted twice to salaries account.
6. Rs 150 received from Madan was entered on the debit side of the cash book. No posting was done to Madan’s A/C.
7. Explain the various causes of Depreciation.

**SECTION – C (3 X 10 =30)**

**Answer ALL the questions.**

1. (a) Explain various accounting concepts.

(Or)

(b) A second hand machine was purchased on 1-1-90 for Rs 30000 and repair charges amount to

Rs 6000. It was installed at a cost of Rs 4000. On 1st July 1991, another machine was purchased

for Rs 26,000. On 1st July 1992, the first machine was sold for Rs 30000. On the same day, one more machine was bought for Rs 25000. On 31-12-92, the machine bought on 1st July 1991 was sold for Rs 23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15%p.a. on straight line method prepare the machinery account for three years ending 31-12-92.

1. (a) A fire occurred in the business premises of Madhavan on 19.7.89. Ascertain the loss of stock and

prepare a claim for insurance.

Rs

Stock on 1.1.88 36,720

Stock on 31.12.88 32,400

Sales for 1988 2,16,000

Purchases for 1988 1,46,400

Purchases from 1.1.89 to 19.7.89 1,76,400

Sales from 1.1.89 to 19.7.89 1,80,000

The stocks were always valued at 90% of cost. The stock saved from fire was worth Rs

21,600. The amount of the policy was Rs 75,600. There was an average clause in the policy.

(Or)

(b) The following are the ledger balances extracted from the books of Aysha

Aysha’s Capital Rs 50000, Bank overdraft Rs 8400, Sales Rs 3,01,000

Return inwards 5000, Furniture Rs 5200, Business Premises 40,000, Creditors 26,600, Opening

stock Rs 44000, Debtors Rs 36,000, Rent from tenants Rs 2000, Purchases Rs 2,20,000,

Discount (cr) Rs 800, Taxes & Insurance Rs 4000, General expenses Rs 8000, Salaries Rs

18,000, Commission allowed Rs 4,400, Carriage on purchases Rs 3600, Provision for doubtful

debts Rs 1000, Bad debts written off Rs 1600.

Adjustments

(i) Stock on hand on 31-12-1995 was estimated as Rs 40,120.

(ii) Write off depreciation on business premises Rs 600 and furniture Rs 520.

(iii) Make a provision of 5% on debtors for bad & doubtful debts.

(iv) Allow interest on capital at 5% and carry forward Rs 1400 for unexpired insurance.

Prepare Final accounts for the year ended 31-12-1995.

1. (a) Rama commenced business on 1.1.89 with a capital of Rs 25,000. He immediately bought

furniture for Rs 4000. During the year he borrowed Rs 5000 from his wife and introduced a further

capital of Rs 3000. He has withdrawn Rs 600 at the end of each month for family expenses. From

the following prepare Trading and P& L account and Balance Sheet as on 31.1.89.

Sales (Including cash sales of Rs 30000) Rs 1,00,000.

Purchases ( Including cash purchases of Rs 10000) Rs 75000.

Carriage Rs 700, Wages Rs 300, Discount allowed to debtors Rs 800, Salaries Rs 6200,

Bad debts written off Rs 1500, Trade expenses 1200, Advertisement Rs 2200.

Rama has used goods worth Rs 1300 for private purposes and paid Rs 500 to his son which is not recorded anywhere. On 31.12.89 his debtors were worth Rs 21,000, Creditors Rs 15,000 and stock in trade Rs 10000. Furniture to be depreciated at 10% p.a

(Or)

(b) From the following prepare Bank Reconciliation Statement as at 31st December 1992 to find out the

balance as per cash book of Ms Akila.

(i) The following cheques were paid into bank in December 1992 but were credited by the bank in January 1993: Maninder Rs 1400, Kalyani Rs 1600 Rajesh Rs 1200.

(ii) The following cheques were issued in December 1992 but were presented for payment in January 1993: Shalini Rs 1000, Bhagat Rs 900.

(iii) The following cheques were made by the bank which were not recorded in the cash book: Incidental charges for the half year ended 31-12-1992 Rs 40, Collection charges for outstanding expenses Rs 30.

(iv) The following payments made by the bank direct as per standing instructions were not entered in the cash book: Insurance premium Rs 700, Subscription for commerce Rs 150.

(v) A cheque for Rs 1000 which was received from a customer was entered in the bank column of cash book in December 1992 but was omitted to be banked in December 1992.

(vi) A bill for Rs 2000 was returned by the bank under rebate of Rs 40 but the full amount of the bill was credited in bank column of the cash book.

The bank balance as per pass book was Rs 31,600 0n 31st December 199.

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