

**D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS)**  
**SEMESTER EXAMINATIONS**  
**NOVEMBER - 2016**  
**ACCOUNTING FOR BUSINESS - I**

\*\*\*\*\*

**Time : 3 Hrs**

**SECTION-A (10 x 2 =20)**

**Answer ALL the questions.**

1. Define Accounting.
2. Rectify the following errors:
  - a) Purchases Book is over cast by Rs.300 (for the month of March)
  - b) Sales book has been under cast by Rs.200.
3. Ascertain cost of goods sold from the following:

	Rs.		Rs.
Opening stock	17,000	Indirect expenses	10,400
Purchases	61,400	Closing stock	18,000
Direct expenses	9,600		

4. What is a Trail Balance?
5. A company purchased a plant for Rs.50,000. The useful life of the plant value is Rs.10,000. Find out the rate of depreciation under the straight-
6. What is Depreciation?
7. What is Average Due Date?
8. What is the formula to find out Average Due Date?
9. Find out profit from the following data:

	Rs.
Capital at the beginning of the year	8,00,000
Drawings during the year	1,80,000
Capital at the end of the year	9,00,000
Capital introduced during the year	50,000

## SECTION-B (5 x 5 =25)

Answer any FIVE of the following questions.

11. Journalise the following transactions in the book of Sri. T.N. of Coimbat

2015	
Oct 1	Commenced business with Rs.50,000
3	Purchased goods for cash Rs.10,000 at 5% trade
4	Paid carriage Rs.50
8	Purchased machinery for Rs.20,000
10	Sold goods to Madan on account for Rs.15,000

12. Prepare Trail Balance from the following:

	Rs.		Rs.
Capital	9,000	Rent outstanding	1,000
Plant and machinery	12,000	Opening stock	2,000
Purchases	8,000	Sales Returns	4,000
Sales	12,000	Investments	14,000
Sundry creditors	8,000	Debtors	12,000
Bank loan	22,000		

13. A machine purchased on 1<sup>st</sup> July 2013 at a cost of Rs 14,000 a installation. The depreciation is written off at 10% on the original cost closed on 31<sup>st</sup> December each year. The machine was sold for Rs.9,500 the machinery account for all the years.

14. From the following balance extracted at the close of the year ended 31<sup>st</sup> December 2013 and Loss account of Mr. Raj as at the date:

	Rs.		Rs.
Gross profit	55,000	Repairs	
Carriage on sales	500	Telephone expenses	
Office rent	500	Interest (Dr.)	
General expenses	900	Fire insurance premium	
Discount to customers	360	Bad debts	
Interest from Bank	200	Apprentice premium(Cr.)	

During the year he introduction additional capital of Rs.20,000  
 From the above particulars prepare a statement of profit and loss of 1  
 31.12.2011.

16. From the following information ascertain opening Stock (i.e., on 01-01-

	Rs.
Purchases made during 2015	2,50,000
Sales made during 2015	3,25,000
Stock on 31-12-2015	60,000
Wages	3,000
Rate of gross profit on cost	25%

17. Write short note on "Accounting Conventions".

18. R owes S the following sums of money due from him on the dates stated

Rs.300 due on March 9. 2013.

Rs.1,000 due on April 2. 2013.

Rs.4,000 due on April 30. 2013.

Rs.100 due on June 1. 2013.

He wants to make the complete payment on 30-6-2013. Calculate interest on the basis of average due date method.

### SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (a) Prepare a Bank Reconciliation Statement from the following data as on 31.12.2013

	Rs.
a) Balance as per cash book	12,000
b) Cheques issued but not presented for payment	
c) Cheques deposited in bank but not collected	1,000
d) Bank paid insurance premium	
e) Direct deposit by a customer	
f) Interest on investment collected by bank	
g) Bank charges	

(Or)

(b) From the following Trail Balance extracted from the books of Kamal & Co. for the year ended 31.12.2015

Debit balances	Rs.	Credit balances
Cash at Bank	2,610	Creditors
Bank Debt	11,070	Discounts

Adjustment:

- (i) Make provision for doubtful debts at 5%.
- (ii) Calculate discount on creditors @2%.
- (iii) Office expenses include stationery purchased Rs.800
- (iv) Carriage inwards includes carriage paid on purchase of furn
- (v) Outstanding salaries Rs.150
- (vi) Prepaid insurance Rs.300
- (vii) Stock on hand Rs .10,700 (including stationery stock Rs.20

20. (a) George Co. Ltd., Purchased a machine on 1<sup>st</sup> January 1995 for Rs. further machinery was purchased for Rs. 25,000. On 1<sup>st</sup> July 1996, 1<sup>st</sup> January 1995 having become obsolete, was sold off for Rs.20,000 charged at 20% on the original cost assuming that the accounts are December. You are required to prepare:

- (a) Machinery A/c
- (b) Provision for Depreciation A/c.

(Or)

(b) A partner has withdrawn the following sums of money during the half

Jan 15	Rs.300	April 20	Rs.400
Feb 18	Rs.250	May 16	Rs.300
Mar 10	Rs.150	June 18	Rs.500
Mar 26	Rs.200		

Interest is to be charge at 8%p.a. find out the average due date and interest to be debited to the partner.

21. (a) Mr. X keeps his books under single entry system. from the following A/c and Balance Sheet as on 31.3.2014.  
Cash Book analysis shows the following:

	Rs.
Interest charges	100
Personal withdrawals	2,000
Staff salaries	8,500
Other business expenses	7,500
Payment to creditors	15,000
Balance at bank as on 31.3.94	425
Cash in hand as on 31.3.94	75
Received from Debtors	25,000
Cash sales	15,000