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

Time : 3 Hrs

SECTION-A (10 x 2 =20)

Answer ALL the questions.

1. State the Accounting Equation.
2. What is Suspense Account?
3. Define Depreciation.
4. Mention the various methods of providing depreciation.
5. What is an average due date?
6. What is meant by average clause?
7. Define capital expenditure.
8. Define a Balance Sheet.
9. What is meant by single entry system?
10. Write any two differences between. Statement of affairs and Balance Sheet.

SECTION-B (5 x 5 =25)

Answer any FIVE of the following questions.

11. Discuss in detail the importance of accounting.
12. From the following information prepare sales ledger Adjustment Account

Date	Particulars	Rs.
1-1-2014	Balance of debtors	20,000
31- 3- 2014	Sales	50,000
	Cash received from debtors	15,000
	Bills received from debtors	5,000
	Sales returns	1,000

14. X Ltd., Leased on June 30 2010 an iron ore mine for a sum of Rs.1,00,000. The total quantity of ore in the mine is 20,000 tonnes. The annual output is as follows:

Year	Tonnes
2010	1,000
2011	4,000
2012	3,200
2013	4,200

Using the depletion method of depreciation, show the Mine A/c for the first four years.

15. Find out the Average due of the following bills accepted by a trade who has to make one single payment.

Date of Bill	Amount of bill Rs.	Due date
1-4-90	800	6-6-90
30-4-90	1,000	3-8-90
3-6-90	400	6-7-90
15-6-90	600	18-9-90

16. A fire occurred on September 30, 2013 in the godown of Mr. Anand. He wants to ascertain the claim to be lodged:

	Rs.
Stock on January 1,2013	17,000
Purchases from January 1,2013 to date of fire	1,70,000
Wages and other manufacturing expenses	17,000
Sales from January 1,2013 to date of fire	2,00,000

The rate of gross profit is 25% on cost. The stock salvaged was valued at Rs. 50,000.

17. Prepare profit and loss Account, from the following balances of Mani, for the year ended 31st March 2014:

SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (a) Explain various accounting concepts.

(Or)

(b) A company whose accounting year is the calendar year, purchased machinery for Rs. 40,000. It purchased further machinery on 1st Oct. 1993 for Rs. 20,000. On 1-7-95, $\frac{1}{4}$ th of the machinery installed on 1-1-1993 was sold for Rs.6,800.

Show how the machinery account would appear in the books of the company under Diminishing Balance method. Depreciation is to be provided at 10% p.a.

20. (a) From the following information, find the claim under a loss of profits policy.

Particulars
Sales in 1991
Sales in 1992
Sales in 1993
Sales in 1994
Net profit in 1994
Standing charges(all insured) in 1994
Date of dislocation by fire 1-1-1995: period of dislocation 3 months
Sales from 1-1-1994 to 31-3- 1994
Sales from 1-1-1995 to 31-3- 1995
Indemnity Period
Policy value

There was no reduction in standing charge during the dislocation and no additional costs.

(Or)

(b) The following are the balance extracted from the books of Mr. Krishnan

Adjustments:

- 1) On 31-3-2014 closing stock Rs. 10,000
- 2) Outstanding salaries Rs. 500.
- 3) Prepaid insurance Rs.250
- 4) Bad debts Rs. 500
- 5) Provide 10% depreciation on machinery

21. (a) Distinguish between single entry system and double entry system of

(Or)

(b) Find out purchases and sales from the following details by making n

	Rs.	
Opening balance of debtors	30,000	Returns inwards
Opening balance of creditors	10,000	Return outwards
Collection from debtors	1,60,000	Cash purchase
Discount received	2,500	Cash sales
Bad debts	1,000	Closing balance of
Payment to creditors	14,000	Closing balance of
Discount allowed	1,500	

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