

C. ABDUL HAKEEM COLLEGE (AUTONOMOUS),
MELVISHARAM - 632 509.
SEMESTER EXAMINATIONS, NOVEMBER - 2018

B.COM., COMMERCE **SEMESTER I**
U15MCM101 / U14MCM101 – FINANCIAL ACCOUNTING - I

Time: Three Hours

Maximum: 75 Marks

SECTION - A (10 X 2 = 20 Marks)

Answer **ALL** Questions.

1. What is business entity concept?
2. Define Bank Reconciliation Statement.
3. What is a final account?
4. What is capital expenditure?
5. What is written down value method?
6. What is a reserve?
7. What is loss of stock?
8. Define insurance claim.
9. What is net worth method?
10. Define single entry system.

SECTION - B (5 X 5 = 25 Marks)

Answer **ALL** Questions.

11. a) From the following particulars, prepare a Bank Reconciliation Statement as on 31.3.2003.
 - i. Bank balance as per pass book as on 31.3.2003, Rs.10,500.
 - ii. Cheques deposited but not cleared Rs.750.
 - iii. Sundry charges debited in the pass book, not in the cash book Rs.35.
 - iv. Cheques issued but not presented Rs.1,200
 - v. Direct payment by customers into bank Rs.800
 - vi. Dividend received by bank and credited in the pass book, but not in cash book Rs.130.

(Or)

- b) Explain any 2 adjustment entries.

12. a) Prepare a Trading Account of Shri. Lakshmi for the year ending 31st March ,2003 from the following figures.

Particulars	Rs.	Particulars	Rs.
Purchases	3,00,000	Return inwards	2,500
Sales	5,00,000	Freight and clearing charges	5,000
Opening stock	40,000	Closing Stock	42,000
Wages	30,000	Returns Outwards	3,000
Carriage inwards	4,000		

(Or)

- b) Explain the classification of liabilities.

13. a) An asset is purchased for Rs.25,000. Depreciation is to be provided annually according to the straight line method. The useful life of the asset is 10 years and the residual value is Rs.500. You are required to find out the rate of depreciation.

(Or)

b) Explain the causes of depreciation.

14. a) Stock of Rs.80,000 of m/s. Kailash Chand & Sons has been insured for Rs.70,000, Loss due to fire is assessed at Rs.20,000. Calculate what claim M/S. Kailash Chand & Sons will get from the insurance company.

(Or)

b) Explain the average clause.

15. a) Find out profit from the following data:

Capital at the beginning of the year	Rs.4,00,000
Drawings during the year	Rs. 90,000
Capital at the end of the year	Rs.4,50,000
Capital introduced during the year	Rs. 25,000

(Or)

b) Differentiate single entry system and double entry system.

SECTION - C (3 X10 = 30 Marks)

Answer **ANY THREE** Questions.

16. Define Accounting. Explain the accounting conventions.

17. Prepare final accounts from the following Trial balance of Mr. Varun for the year ended 31.12.2004:

Particulars	Debit(Rs)	Credit(Rs)
Capital	-	28,000
Drawings	3,000	-
Debtors & Creditors	19,500	10,401
Loan	-	9,500
Interest on loan	300	-
Cash in hand	2,150	-
Opening stock	6,839	-
Motor vehicle	10,000	-
Cash at bank	3,455	-
Land & buildings	12,000	-
Bad debts	525	-
Purchase & sales	66,458	1,09,643
Purchase & sales return	7,821	1,346
Carriage outwards	2,404	-
Carriage inwards	2,929	-
Salaries	9,097	-
Rate & taxes	2,891	-
Advertising	3,264	-
Discount	-	540
General expenses	3,489	-
Bills receivable & payable	6,882	2,614
Rent received	-	960
TOTAL	163004	163004

Closing stock Rs.6750.

18. A machine purchased on 1.7.83 at a cost of Rs.14,000 and Rs.1,000 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.9,500 on 31.3.86. Show the machinery account for all the years.

19. Batliboi & Co., have taken out a fire policy of Rs. 80,000 covering its stock in trade. A fire occurs on 31st march 2003 and stock was destroyed with the exception of Rs. 20,680 worth. The following are the information available from the books of account of the firm.

	Rs.
Stock as on 1.1.2003	30,000
Purchases to the date of fire	1,30,000
Sales to the date of fire	90,000
Commission paid to the purchase manager:	
On purchases	2 %
Carriage paid on purchases	800
Average gross profit on cost	50%

The policy was subject to average clause. You are required to calculate due amount of claim to be made against the insurance company.

20. Ram and Laxman are equal partners in a business in which the books are kept by single entry. The position on 1.7.2002 was as under.

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Bills Payable	12,400	Cash in hand	540
Sundry Creditors	40,000	Cash at bank	27,760
Capital		Bills Receivable	9,200
Ram	1,60,000	Sundry debtors	97,300
Laxman	1,60,000	Stock	67,600
		Plant & Machinery	1,60,000
		Furniture	10,000
	<u>3,72,400</u>		<u>3,72,400</u>

On 30.6.2003 the following was the statement of affairs.

Cash in hand – Rs.800; Cash at bank – Rs.31,600; Stock – Rs.73,400;

Bills payable – Rs. 1,200; Creditors – Rs.42,400; Debtors – Rs.1,32,600

Bills receivable – Rs.17,600; Plant & Machinery and Furniture are to be depreciated by 10 %.

Drawings – Ram - Rs.20,000; Laxman – Rs. 16,000

Ascertain the profit for the year ended 30.6.2003 and statement of affairs as on that date. Prepare capital accounts of partners.
