

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

B.COM., COMMERCE
U18MCM101 – FINANCIAL ACCOUNTING
SEMESTER 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 average due date?
8. Mention any two uses of average due date.
9. What is net worth method?
10. Define single entry system.

SECTION - B (5 X 5 = 25 Marks)

Answer **ALL** Questions.

11. a) Explain the accounting concepts in detail.
(Or)

b) From the following particulars prepare a bank reconciliation statement as on 31st December, 2015.

- i. Balance as per cash book Rs. 5,877
- ii. Cheques issued but not presented for payment Rs. 2,013
- iii. Cheques deposited but not cleared upto 31st December, 2015 Rs. 1,419

iv. Banker had wrongly debited the firm's a/c of Rs. 225 which was rectified in January

12. a) State whether the following are revenue or capital expenditure.

- i. Wages of workers employed for setting up a new machinery.
- ii. Repairs to furniture purchased second hand.
- iii. Replacement cost of a worn-out part of plant.
- iv. Expenses incurred for day-to-day running of business.
- v. Expenses incurred in connection with sale of goods.
- vi. Increasing the seating capacity in a cinema theatre.
- vii. Depreciation on fixed asset

(Or)

b) Bring out the differences between the Trading Account and Profit & Loss Account.

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. 5,000. You are required to find out the rate of depreciation and prepare asset account for the first three years.

(Or)

b) A company purchased a plant at Rs. 40,000 on 1st April 2013, it is depreciated at 10% per annum on reducing balance for three years. Show the plant account for three years ending 31st March every year.

14. a) X owes Y the following sums of money due on the dates stated:

Rs. 400 due on 5th January, 2014

Rs. 200 due on 20th January, 2014

Rs. 800 due on 4th February, 2014

Rs. 100 due on 26th February, 2014

Rs. 50 due on 10th March, 2014

Calculate a date when payment made by X in one instalment resulting in no loss of interest to either party.

(Or)

b) The following amounts are due to Ezil by Satya. Satya wants to pay off on a single day at an interest rate of 8% p.a.

Due dates	Rs.
10.1.2016	1,000
26.1.2016 (Republic day)	2,000
23.3.2016	6,000
18.8.2016 (Sunday)	8,000

Determine the average due date.

15. a) Distinguish between Balance Sheet and Statement of Affairs.
(Or)

b) Mr. Rann informs you that he had started a business on 1.1.2016 with a capital of Rs. 20,500 and on 31.12.2016 his capital was Rs. 32,800. Further, he informs you that he gave his son 2,000 and he withdraws Rs. 500 every month for personal purpose. He had a scooter, which had been sold for Rs. 5,000 and invested the same into the business. Further, there is no other information. Calculate the amount of profit made by him during the year 2016.

SECTION - C (3 X 10 = 30 Marks)

Answer **ANY THREE** Questions.

16. On 31st March 2016 the pass book showed the credit balance of Rs. 10,500.

Given that.

i. Cheques amounting to Rs. 2,750 were deposited in the bank but only cheques for Rs. 750 had not been cleared up to 31st March.

ii. Cheques amounting to Rs. 3,500 were issued, but cheques for Rs. 1,200 had not been presented for payment in the bank upto 31st March.

iii. Bank had given the debit of Rs. 35 for sundry charges.

iv. Bank had received directly from customer Rs. 800 and dividend of Rs. 130 up to 31st March.

Find out the balance as per cash book.

17. The following balances are extracted from the books of M/s. Satyam & Co., on 31st December 2013. Prepare Trading and Profit and Loss a/c for the year ended and a Balance Sheet as at that date:

Particulars	Debit Rs.	Particulars	Credit Rs.
Carriage outwards	580	Capital	7,160
Commission	320	Creditors	7,860
Carriage inwards	320	Commission	160
Wages	1,120	Bills payable	1,200
Purchases	15,600	Sales	20,000
Insurance	440	Returns outwards	200
Rent and Taxes	440		
Cash at Bank	1,900		
Returns inwards	520		
Stationery	180		
Interest on capital	280		
Stock on 1 st Jan. 2013	400		
Bills receivable	1,800		
Sundry debtors	12,000		
Trade expenses	80		
Office furniture	400		
Cash in hand	200		
	36,580		36,580

The closing stock was valued at Rs. 10,000.

18. A company purchased a second-hand machine on 1st January 2014 for Rs. 37,000 and immediately spent Rs. 2,000 on its repairs and Rs. 1,000 on its erection. On 1st July 2015, it purchased another machine for Rs. 10,000 and on 1st July 2016, it sold off the first machine purchased in 2014 at Rs. 28,000. On the same date it purchased machinery for Rs. 25,000. The second machine purchased for Rs. 10,000 was also sold off on 1st July 2017 for Rs. 2,000. Depreciation was provided on machinery at the rate of 10% on the original cost annually on 31st December. In 2015, however, the company changed the method of providing depreciation and adopted the written down value method, the rate of depreciation being 15%. Give the Machinery Account for four years commencing from 1st January 2014.

19. A partner has withdrawn the following sums of money during the half year ending 30th June, 2012.

Month	Rs.
January	15
February	28
March	10
March	26
April	20
May	16
June	18

Interest is to be charged at 8% p.a. Find out the average due date and calculate the amount of interest to be debited to the partner.

20. Mr. Manoharan kept no books of account for his business. An analysis of his rough cash book for the year 2016 following particulars.

Receipts	Rs.	Payments	Rs.
Received from Debtors	60,000	Overdraft (Jan. 2016)	7,400
Further capital	5,000	Paid to creditors	25,000
		Business expenses	10,000
		Wages paid	15,500
		Drawings	3,000
		Balance at bank	4,000
		Balance of cash in hand	100
	65,000		65,000

Further, the following information is also available:

	31.12.2015	31.12.2016
Debtors	53,000	88,000
Creditors	15,000	19,500
Stock-in-trade	17,000	19,000
Plant	20,000	20,000
Furniture	1,400	1,400

All his sales and purchases were on credit. From the above particulars prepare Trading and Profit and Loss Account for the year ended 31st December, 2016 and a Balance Sheet as on the date after providing for depreciation on plant and furniture at 5% p.a.
