

**Avinashilingam Institute for Home Science and Higher Education for Women
Coimbatore – 641 043**

**Bachelor's Degree Examination – November 2017
I Semester**

**Class: I UG
Major: Commerce**

**Time: 3 hrs.
Max Marks: 100**

15BCOC02/15BCCC02 Financial Accounting – I

**Part – A
Choose the Correct Answer**

10 x 1 = 10

1. The primary function of accounting is:
 - a. Recording financial data
 - b. Recording non-financial transactions
 - c. Recording and classifying business operations
 - d. None of the above
2. The concept of treating the business as a separate entity is called
 - a. Money measurement concept
 - b. Dual aspect concept
 - c. Business entity concept
 - d. None of the above
3. Depreciation is charged only in
 - a. Fixed asset
 - b. Current assets
 - c. Both A and B
 - d. None of the above.
4. Bills receivable account is a _____.
 - a. Real account
 - b. Nominal Account
 - c. Personal account
 - d. None of the above.
5. Purchase book is kept to record _____.
 - a. All purchases
 - b. All credit purchases
 - c. All cash purchases
 - d. None of the above
6. Cash is withdrawn from bank for personal use, the cash a/c is mentioned in the _____ side.
 - a. Debited
 - b. Credited
 - c. None of the above
7. Which of the following is a non-current asset
 - a. Goodwill
 - b. Cash
 - c. B/P
 - d. Debtors
8. The interest for the number of days by which the due date falls after the closing date of the account current is
 - a. Red ink interest
 - b. Green ink interest
 - c. interest
 - d. none of the above.
9. When a bill is drawn by A on B, it is debited in the books of A to _____.
 - a. Cash Account
 - b. B's account
 - c. B/R account
 - d. B/P account
10. When goods consigned or Sold by the consignee , the account to be debited is
 - a. Cash A/C
 - b. Consignment A/C
 - c. Consignor's Personal A/C
 - d. None of the above.

Answer the following

Answers should not exceed 400 words or two pages

11. a. Journalise the following transactions.

2001 ,June 3rd	Purchased goods for cash	Rs. 10,000
4th	Sold goods to Mani	Rs. 17,000
7th	Goods purchased from Mahesh	Rs. 20,000
11th	Paid into bank	Rs. 7,000
14th	Paid Balu	Rs. 5,000
19th	Received from Ramaraj	Rs. 6,000
24th	Paid rent	Rs. 2,000
26th	Paid salary	Rs. 4,000

(Or)

- b. On 31st June 2000, the bank column of the cashbook of Murugesh showed a credit balance of Rs. 13,600. On comparison of the cashbook and statement you finds that:
1. Cheque received Rs. 4,300 and recorded in the cashbook but not sent to bank collection.
 2. A cheque issued amounting to Rs. 18,300 had been entered in the cash book but no entry had been made in the passbook.
 3. A cheque for Rs. 1,500 paid into bank had been debited by the bank in error as Rs. 2,500.
 4. The payment side of the cashbook had been under cast by Rs.100.
 5. A Payment of Rs. 3,000 received from the customer entered in the passbook but no entry was made in the cashbook.
 6. A passbook showed in the interest of Rs. 92, in overdraft, not entered in the cashbook.

12. a. Explain the types of errors and their rectification.

(Or)

- b. The following balances are extracted from the book of Kowsick on 31st 2000. Prepare Trading & profit and loss account and Balance sheet as on that date.

Prepare the Trading and Profit and Loss Account from the details given below:

Sales	1,20,000	Interest received	1,200
Carriage inwards	1,300	Return inwards	1,200
Return outwards	1,400	Trading expenses	1,100
Lighting	900	Stock (1.1.2000)	18,000
Postage	300	Discount received	750
Office expenses	500	Purchases	60,000
Carriage outwards	2,200	Advertisements	21,700
Closing stock	17,500		

13. a. On 1st Jan, 2008, A is indebted to B for Rs.1,000 and B draws a bill on A for that amount payable three months after date. A accepts the bill and returns it to B who endorses it over to C on 4th Jan, 2008. The bill was dishonored on the due date and C paid Rs.5 as noting charge. Pass journal entries in the books of all parties. Also prepare A's Account in B's Books.

(Or)

- b. On 1st Jan 2006 a limited company purchased machinery for Rs.2000 and on 30th June 2007 it acquired additional machinery at a cost of Rs.2000 on 31st March 2008 one of the original machines which had cost Rs. 500 was found to have become obsolete and was sold as scrap for Rs.50. It was replaced on that date by a new machine costing Rs.800. Depreciation is to be provided at the rate of 15 percent per annum on the written Down Value. Show ledger accounts for the first three years.

14. a. Explain the difference between the consignment and joint Venture.

(Or)

- b. A of Sonapat consigned 500 bicycles to B of cochin to be sold on his account and at his risk. The cost of one bicycle was Rs.200. A paid Rs.5500 onfreight and insurance and received Rs. 40000 as advance from B. B paid Rs.1000 as octroi and cartage, Rs.1500 as rent and Rs.1200 as insurance. 410 bicycles were sold by B for Rs.110000. B was entitled to a commission of 5% on sale @ Rs. 250 per bicycle and 25% of any surplus price realized. Give journal entries in the books of A and B.

15.a. What is joint bank account? Why is it maintained in joint venture account?.

(Or)

- b. A and B were participants in a joint venture sharing profit and losses in the ratio of 10:9. Each parties maintains a complete records in his own books. A supplies goods to the value of Rs.25,000 and incurs an expenditures of Rs.500 on them; and B supplies to the value Rs.21,000 and his expenses amounted to Rs.1000. A sells goods for Rs. 70,000 for which is entitled to receive a commission at 5 %. Accounts are settled by bank draft. Give journal entries and prepare ledger accounts

Part – C

5 x 12 - 60

Answer the following

Answers should not exceed 800 words or four pages

16.a. Explain the Accounting Principles in detail.

(Or)

- b. Passbook of Sriram with Canara bank showed a debit balance of Rs. 1,700 on 31st March 2000. On comparing the passbook with the cashbook you find:
1. Cheque issued by Sriram in February, amounted to Rs. 17,000 of which cheques amounting to Rs. 14,000 were paid by the bank on that period.
 2. A cheque for Rs. 12,700 paid on February stands not credited in the passbook.
 3. Payment side of the cashbook had been under cast by Rs. 700.
 4. Interest from Securities received and recorded by the banker, but no entry has been made in the cashbook for Rs. 700.
 5. Commission paid through bank was entered in the cash book for Rs.1,000.
 6. Wrong debit of Rs. 7,000 was made by the banker.

17. a. Rectify the following errors:

- (i) paid wages for the construction of room, debited to wages account.
- (ii) purchased goods for personal use of the owner Rs.300 debited to purchase account.
- (iii) Rs.3000 spent on the erection of factory plant were charged to repairs account
- (iv) A cheque of Rs. 2,500 from Ram Rao was dishonoured its amount was posted allowance account.
- (v) A customer cheque of Rs.1,500 received through Sitaram was credited to Sitaram's account

(Or)

b. The following Balances are extracted from the books of Mr. Johnson, prepare Trading, Profit and Loss Balance sheet as on 31.12.2001.

Capital	2,40,000	Salaries	10,000
Wages	43,000	Machineries	80,000
Furniture	10,000	Advertisement	2,000
General expenses	2,200	Lighting	1,700
Fuel and power	1,000	Purchases	1,20,000
Carriage inwards	6,000	Return outwards	4,200
Printing charges	2,000	B/P	51,850
Debtors	41,700	Sales	2,04,100
Return inwards	3,600	Premises	74,000
Building	90,000	Stock	60,000
Insurance	1,000	Commission	1,750
Discount (cr)	2,000	Salesman's salary	1,000
Office expenses	2,700	Postage charges	600
Cash in Hand	800	Stationeries	1,200
Rent (cr)	9,000	Creditors	47,600
B/R	4,000	Interest Received	1,500

The following adjustments are:

1. Rent received in advance Rs. 1,500.
2. Outstanding wages Rs. 5,400.
3. Depreciation is to be provided at 7% as machineries.
4. provide bad debts Rs. 1,200.
5. Provide interest on capital at the rate of 5% .
6. Outstanding commission Rs. 700.
7. Closing Stock Rs. 80,000.

