

**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: BBA Tourism**

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

15BTOI01 DSE – I Principles of Accountancy

**Part – A
Choose the Correct Answer**

10 x 1 = 10

1. Which one is current assets?
a. land
b. building
c. furniture
d. cash at bank
2. Bank account is a _____ account.
a. personal
b. real
c. nominal
d. none of these above
3. According to the going concern concept, a business entity is assumed to have:
a. a long life.
b. a very short life.
c. an indefinite life.
d. a medium life.
4. Returns outward book makes a record of:
a. goods returned to the suppliers.
b. goods returned to customers.
c. goods returned to proprietor.
d. goods returned to neighbors.
5. Depreciation is provided on:
a. outward charges
b. fixed assets
c. current assets.
d. intangible assets.
6. Provision for bad debts is calculated on:
a. creditors.
b. Sales.
c. Purchases.
d. Debtors.
7. The preparation of a Trial balance helps in
a. locating errors in principle.
b. locating errors of omission.
c. locating clerical errors.
d. locating compensatory errors.
8. Which one of the following is capital expenditure?
a. Cost of advertisement.
b. Purchase of a delivery van.
c. Purchase of raw material.
d. Purchase of machine oil.
9. Receipts and payment account shows
a. Gains and losses
b. cash receipts and payments
c. assets and liabilities.
d. profit on sale.
10. Under which depreciation method the amount of depreciation expenses remains same throughout the useful life of a fixed asset
a. Straight line method
b. Reducing balance method
c. Number of units produced method
d. Machine hours method

Part –B
Answer the following

5 x 6 = 30

- 11 a. What is book – keeping? Distinguish between Accounting and Book – keeping.
(or)
11 b. Explain various accounting conventions.
- 12 a. Give journal entries to the following transactions:

1.9.2016	Purchased goods for cash	Rs. 10,000
2.9.2016	Purchased stationery for cash	Rs.500
3.9.2016	Sold goods for cash	Rs.8,000
4.9.2016	Paid salaries	Rs.8,000
5.9.2016	Sold goods to James	Rs.2,000
6.9.2016	Paid rent to Krishnan	Rs.800

(or)

- 12 b. Prepare Purchase returns book and sales returns book from the following data:

2017 Aug 1	Purchased goods returned to Senthil	Rs. 205
Aug 3	Received goods returned by Natarajan	Rs. 300
Aug 5	Goods returned to Kannan	Rs. 500
Aug 7	Sales returns by Madhavan	Rs. 1,260
Aug 15	Returned defective goods to Rajan	Rs. 1,280
Aug 18	Damaged goods returned by Murali	Rs. 1,120
Aug 23	Purchase returns to Kanagasabai	Rs. 275
Aug 29	Sales returns by Swaminathan	Rs. 750
Aug 30	Returned inferior goods to Sankar	Rs. 890
Aug 31	Selvan returned goods to us	Rs. 1,330

- 13 a. The following are some ledger balances taken out from the trial balance of XYZ company on 31st December 2016

	Rs.		Rs.
Stock on 1.12.2015	60,000	Returns outwards	16,000
Purchases	360,000	Returns inwards	30,000
Carriage inwards	24,000	Sales	500,000
Custom duty	12,000		

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

Prepare a trading account for the year ended 31st December 2016.

(or)

- 13 b. From the following balances extracted at the close of the year ended 31st Dec 2016, prepare Profit and loss account of Mr.Raj as that date:

Gross profit	Rs.55,000
Office rent	Rs. 500
General expenses	Rs.900
Travelling expenses	Rs.700
Salaries paid	Rs.900
Telephone expenses	Rs. 520
Bank interest received	Rs.200

- 14 a. On 31-12-2014, subscriptions outstanding were Rs.10, 000 and received in advance for 2015 Rs.8,000.

During 2015, subscription received were Rs.80, 000 including Rs 7,000 towards the dues of the year 2014. On 31-12-2015 ,total subscriptions outstanding were Rs.12,000 and received in advance for 2016 Rs.6,000. you are required to show Subscriptions to be credited to Income and expenditure A/C.

(or)

14 b. Prepare Receipts and Payments a/c of a club for the year ended 31st Dec 2015 from the following particulars:

	Rs		Rs
Opening balance of cash	40,000	Rent Paid	1,200
Receipts of entrance fees	8,000	Payments for purchaser of cricket balls	500
Subscription received for 2015	16,000	Payments for purchaser of cricket bats	1,600
Paid salaries	2,000	Payment for stationery in cash	100
Paid for Miscellaneous expenses	200		

15 a. . George Co Ltd Purchased a machine on 1st January 2010 for Rs.50,000. On 1st July 2010 further machinery was purchased for Rs.25,000. Depreciation has to be charged at 10% at straight line method assuming that the accounts are closed every year on 31st December. You are required to prepare Machinery Account for three years.

(or)

15 b. A Company acquired a machine on 1.1.2010 at a cost of Rs.40,000 and spent Rs.1000 on its installation. The firm writes off depreciation at 10% on the written down value method. The books are closed on 31st December every year. Show the Machinery A/c for 3 years.

Part – C
Answer the following

5 x 12 = 60

16 a. Define book keeping. Explain its objectives. (or)

16 b. Define accounting. What are the advantages of accounting?

17 a. Journalise the following transactions and post them into ledger.

1 March 2016	Balan started business with a capital of	Rs.10,000
4	Bought goods from Velan	Rs.6,750
7	Cash purchases	Rs.3,000
10	Cash Sales	Rs.4,000
13	Bought goods from Velan	Rs.2,000
16	Sold goods to Gurunath	Rs.5,000
18	Paid Cash to Velan	Rs.2,850
19	Sold goods to Gurunath	Rs. 500
24	Paid Velan on account	Rs.2,400
26	Received cash from Gurunath	Rs.1,650
27	Paid Salaries	Rs.1,250
30	Received Cash from Gurunath	Rs.200

17 b. Enter the following transactions in a single column cash book of Mr.Kumamran.

2017 Jan 1	Started business with cash	Rs.1000
3	Purchased goods for cash	Rs.500
4	Sold goods	Rs.1700
5	Cash received from Siva	Rs.200
12	Paid Balan	Rs.150
14	Bought furniture	Rs.200
15	Purchased goods from Kala on credit	Rs.2,000
20	Paid electric charges	Rs.225
24	Paid Salaries	Rs.250
28	Received Commission	Rs.75

18. a. Discuss the characteristics of Capital and Revenue expenditure.

(or)

18 b. From the following trial balance of M/s Ram and Sons, prepare trading and profit and loss account for the year ending on 31st March 2015 and the balance sheet as on the date:

Trial Balance as on 31st March 2015

Particulars	Debit(Rs.)	Credit(Rs.)
Opening Stock	5000	
Purchases	16750	
Discount Allowed	1300	
Wages	6500	
Sales		30000
Salaries	2000	
Travelling expenses	400	
Commission	425	
Carriage inward	275	
Administration Expenses	105	
Trade expenses	600	
Interest	250	
Building	5000	
Furniture	200	
Debtors	4250	
Creditors		2100
Capital		13000
Cash	2045	
	45100	45100

Closing Stock Was Rs.6,000

19 a. Explain the differences between Income and Expenditure account and Receipts and Payments account.

(or)

19 b. From the following details, Prepare of Income and Expenditure account A/c.

	Rs		Rs.
Fee collected ,including Rs.80,000 on account	3,80,000	Meeting expenses	18,000
Of previous year	10,000	Travelling expenses	6,000
Salary paid, including Rs.3,000 on A/c of the Previous Year	28,000	Purchase of books and (including Rs.19,000for purchase of book)	29,000
Salary outstanding at the end of the year	1,000	Rent	10,000
Entertainment expenses	3,000	Postage	15,000
Tournament expenses	12,000	Printing and Stationary	4,000
		Donations received	20,000

20 a. Explain various methods of charging depreciation. (or)

20 b. On 1.1.2011 a company bought machinery costing Rs.70,000. It is estimated that its working life is 10 years, at the end of which it will fetch Rs.10,000. Additions are made on 1.1.2012 to the value of Rs.40,000 (Residual value Rs.4000). More additions are made on 1.7.2013 to the value of Rs.20,000 (Break up value Rs.2000). The working life of both the additional machinery is 20 years. Show the machinery account for the first four years, if depreciation is written off according to Straight line method. The accounts are closed on 31st December every year.