



Maximus

Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – June / July 2021

II Semester

Class : I UG
Major : Computer Applications

Time : 3 Hours
Max. Marks : 100

18BCAI02 DSE – II Principles of Accountancy

Part A

10 x 1 = 10

Choose the Correct Answer

- Which accounting concept specifies the practice of crediting closing stock to the trading account?
 - Going concern
 - Realisation
 - Cost
 - Matching
- Capital account is a
 - real a/c
 - personal a/c
 - nominal a/c
 - none of the above
- A withdrawal of cash from business by the proprietor should be credited to ____ account.
 - drawings
 - proprietors
 - cash
 - bank
- A statement which is prepared to test the arithmetical accuracy of business is known as
 - balance sheet
 - trial balance
 - profit and loss account
 - none of the above
- Outstanding rent is
 - liability
 - an asset
 - an income
 - an expenses
- Balance sheet is a
 - account
 - ledger
 - subsidiary book
 - statement
- Non-trading institutions prepare
 - profit and loss a/c
 - trading a/c
 - manufacturing a/c
 - income and expenditure a/c
- Receipts and payment account is a
 - real a/c
 - personal a/c
 - nominal a/c
 - none of the above
- Depreciation arises because of
 - physical wear and tear
 - fall in the market value of an asset
 - fall in the value of money
 - fall in prices
- A straight line method of providing depreciation is one according to which the amount of depreciation charged remains
 - the same from year to year
 - reduce from year to year
 - increase from year to year
 - fluctuates year to year

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

11.a. Explain the differences between Accounting and Book Keeping.

(or)

11.b. Prepare simple Cash Book from the following information of Mrs. Geetha of Coimbatore.

- June 1 Cash balance Rs.50,000
- 2 Cash purchases Rs.18,000
- 6 Sold goods for cash Rs.24,000
- 9 Received cash from Mani Rs.7,000
- 12 Paid into Bank Rs. 12,000
- 15 Paid for Stationery Rs.1,500
- 19 Cash sales Rs.30,000
- 21 Paid for office furniture Rs.12,000
- 24 Paid cash to Ram Rs.15,000
- 26 Commission received Rs.800
- 30 Paid rent Rs.6,000

12.a. Journalize the following transactions in Ajay's books:

- Jan 1 Ajay started business with cash Rs.2,00,000.
- 5 Bought goods for cash Rs.80,000
- 9 Purchased building for Rs.75,000
- 14 Purchased goods from Tharun Rs.23,000
- 16 Paid cartage Rs.1,500
- 18 Sold goods to Varun Rs.95,000
- 22 Cash sales Rs.25,000
- 25 Cash received from Varun Rs.80,000
- 29 Cash paid to Tharun Rs.20,000

(or)

12.b. Explain the benefits of Subsidiary Books.

13.a. From the following information ascertain Gross Profit and Net Profit.

| Particulars | Amount(Rs.) | Particulars | Amount(Rs.) |
|------------------|-------------|------------------|-------------|
| Opening Stock | 1,50,000 | Closing stock | 1,95,000 |
| Sales | 11,00,000 | Wages | 54,000 |
| Return outward | 32,000 | Salaries | 32,000 |
| Return inward | 28,000 | Discount allowed | 5,000 |
| Purchases | 5,50,000 | Depreciation | 20,000 |
| Carriage inwards | 15,000 | Carriage outward | 8,000 |

(or)

13.b. From the following balances prepare a Trial balance of Mr. Rajesh for the year ending 31-03-2020

| Particulars | Rs. | Particulars | Rs. |
|---------------------|----------|-------------------|----------|
| Opening stock | 60,000 | Cash at bank | 12,000 |
| Advertisement | 4,000 | Debtors | 90,000 |
| Discount(Cr) | 1,600 | Carriage inwards | 1,550 |
| Purchases | 1,20,000 | Carriage outwards | 2,400 |
| Sales return | 2,000 | Purchase Return | 1,500 |
| Wages | 20,000 | Sales | 3,54,000 |
| Rent & taxes | 20,000 | Discount (Dr) | 700 |
| Plant & Machinery | 1,60,000 | Capital | 2,00,000 |
| Salaries | 13,600 | Bank charges | 150 |
| Bad debts provision | 1,050 | Bank charges | 50,000 |
| Cash in hand | 1,800 | Creditors | 1,00,000 |
| Buildings | 2,50,000 | Bank Loan | 50,000 |
| | | Bills Payable | |

14.a. From the following details, ascertain the amount of subscription to be credited to Income and Expenditure account for the year 2019.

Subscription received in 2019- Rs.10,000

Subscription outstanding as on 31-12-2018 Rs.2,000

Subscription outstanding as on 31-12-2019 Rs.4,000

Subscription received in advance as on 31-12-2018 Rs.3,000

Subscription received in advance as on 31-12-2019 Rs.2,000

(or)

14.b. Explain the differences between Receipts and Payments account and Income and expenditure account.

15.a. X Ltd purchased a boiler from abroad for Rs,20,000. Shipping and forwarding charge amounted to Rs.4,000, import duty Rs.14,000 and expenses of installation amounted to Rs.2,000. Calculate depreciation for first three years at 10% on written down value method.

(or)

15.b. Explain the need for providing depreciation.

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

16.a. Explain the advantages and disadvantages of Accounting.

(or)

16.b. Enter the following transaction in the Journal and Ledger of Kanishka

| Particulars | Rs. |
|----------------------------------|----------|
| June1 Started business with cash | 8,00,000 |
| 3 Deposited into bank | 1,50,000 |
| 4 Bought goods from Nandhini | 3,25,000 |
| 5 Cash sales | 4,50,000 |
| 7 Paid cash to Nandhini | 2,50,000 |
| 10 Cash purchase | 80,000 |
| 12 Furniture purchased | 35,000 |
| 15 Interest paid | 5,000 |
| 18 Sold goods to Shalini | 2,25,000 |
| 20 Paid wages | 40,000 |
| 23 Received cash from shalini | 1,50,000 |
| 25 Rent paid | 15,000 |
| 27 Interest received | 8,000 |
| 30 Paid salaries | 35,000 |

17.a. Enter the following transactions in proper subsidiary book.

| | Particulars | Rs. |
|----------|-------------------------------|-------|
| 2018 Jan | Bought goods from Arunkumar | 6,000 |
| 1 | Sold goods to Balu | 3,000 |
| 3 | Sasikala sold goods to us | 3,000 |
| 4 | Bharathi bought goods from us | 1,800 |
| 9 | Received goods returned from | 240 |
| 11 | Balu | 200 |
| 15 | We returned goods to | 300 |
| 18 | Arunjumar | 1,400 |
| 22 | Dharani returned goods | 2,500 |
| 24 | Sold goods to Velu | 150 |
| 27 | Purchased machinery from | 1,600 |
| 28 | Salim | 200 |
| 30 | Returned goods from Velu | 2,400 |
| 31 | Purchased goods from Madhan | |
| | Returned goods to Sasikala | |
| | Sold goods to Anwar | |

(or)

17.b. From the following balances extracted from the ledger, you are required to prepare a Trial Balance as on 31st March 2018.

| Particulars | Rs. | Particulars | Rs. |
|-------------------|--------|-----------------------|--------|
| Capital | 62,000 | Wages | 8,480 |
| Land and building | 42,000 | Bills Payable | 9,000 |
| Machinery | 20,000 | Fuel and Power | 4,730 |
| Patent | 7,500 | Carriage on sales | 3,200 |
| Stock | 5,760 | Carriage on purchases | 2,040 |
| Debtors | 14,500 | Salaries | 15,000 |
| Purchases | 40,675 | Sales | 98,780 |
| Cash in hand | 540 | General Expenses | 3,000 |
| Cash at bank | 2,630 | Insurance | 600 |
| Creditors | 6,300 | Drawings | 5,245 |
| Sales return | 680 | Purchase Returns | 500 |

18.a. From the following Trial Balance, prepare Trading and Profit & Loss A/C for the year ended 31st December 2019.

| Particulars | Rs. | Particulars | Rs. |
|-----------------------|----------|---------------------|----------|
| Purchases | 60,000 | Capital | 50,000 |
| Debtors | 45,000 | Bad debts provision | 525 |
| Return Inwards | 1,000 | Creditors | 25,000 |
| Bank charges | 75 | Return outwards | 750 |
| Rent, rates and taxes | 10,000 | Sales | 1,77,000 |
| Salaries | 6,800 | Discount received | 800 |
| Wages | 10,000 | | |
| Stock | 30,000 | | |
| Discount allowed | 350 | | |
| Advertisement | 2,000 | | |
| Plant & machinery | 80,000 | | |
| Carriage inwards | 750 | | |
| Carriage outwards | 1,200 | | |
| Cash in hand | 900 | | |
| Cash at bank | 6,000 | | |
| | 2,54,075 | | 2,54,075 |

Adjustments:

- i. The closing stock on 31.12.2019 was Rs.35,000
- ii. Depreciation of plant at 6%.
- iii. Bad debts provision to be adjusted to Rs.500.
- iv. Outstanding wages Rs.3,000

(or)

18.b. Give adjustment journal entries for

- a. Provision for doubtful debts
- b. Outstanding salaries
- c. Prepaid rent
- d. Accrued Income
- e. Discount received in advance

19.a. A company purchased a machine on 1-1-2016 for Rs.80,000. On 1st July 2017, it purchased another machine for Rs.20,000. On 1st July 2018 it sold off the first machine purchased in 2016 for Rs.56,000. On the same date, it purchased further machinery for Rs.50,000. On 1st July 2019, the second machine purchased for Rs.20,000 was also sold off for Rs.4,000. Accounts are closed every year on 31st December. Depreciation is written off at 10% per annum on original cost method.

Prepare depreciation account for four years ending 31-12-2019.

(or)

19.b. Define Depreciation and explain the causes of depreciation.

20.a. From the following details prepare Income and Expenditure account for the year ending 31st March 2019.

| Particulars | Rs. | Particulars | Rs. |
|---------------------------------|--------|----------------------------|--------|
| To Balance 1-4-2018 | 3,485 | By Books | 6,150 |
| To Entrance fees | 650 | By Printing and Stationery | 465 |
| To Donations | 6,000 | By Newspapers | 1,110 |
| To Subscriptions | 6,865 | By Sports materials | 5,000 |
| To Interest on Investment | 1,900 | By Repairs | 650 |
| To Sale of furniture | 685 | By Investments | 2,000 |
| To Sale of Old newspapers | 465 | By Furniture | 1,000 |
| To Proceeds from entertainments | 865 | By Salary | 1,500 |
| To Sundry receipts | 125 | By Balance on 31-3-2019 | 3,165 |
| | 21,040 | | 21,040 |

The entrance fees and donations are to be capitalized: Sports material are valued at Rs.4,000 as on 31-3-2019.

(or)

20.b. How do you treat the following items in the final accounts of a Non-trading concern:

i. Donations

ii. Entrance Fees

iii. Legacy

iv. Life Membership Fees
