

Time : Three hours

Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. What is personal a/c? Give two examples.
2. Define money measurement concept.
3. Define opening entries.
4. Define current assets. Give example.
5. Pass adjustment entry for closing stock of raw materials Rs. 30,000, Finished goods Rs. 15,000.
6. Define Balance Sheet.
7. What is Overdraft?
8. Pass rectifying entries for the following :
 - (a) A cheque for Rs. 12,000 from Srindar was dishonoured its amount was posted to allowance a/c.
 - (b) Shekar, a debtor cheque of Rs. 4,500 received through Shanmugham was credited to Shanmugam's Account.

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9. Define depreciation.

10. What are the two types of single entry?

11. What is the first stage of conversion method of single entry?

12. Narrate diminishing balance method of depreciation.

SECTION B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. What are the errors not disclosed by Trial Balance?
14. Mention the debit items of profit and loss account.
15. What are the characteristics of single entry system?
16. Prepare Trial Balance for the given details :

| | Rs. | | | Rs. | |
|---------------|----------|------------------|----------|-----|--|
| Cash in hand | 2,400 | Machinery | 1,20,000 | | |
| Capital | 2,00,000 | Sales | 4,00,000 | | |
| Purchases | 2,40,000 | Furniture | 30,000 | | |
| Bills payable | 44,000 | Bad Debt reserve | 2,000 | | |
| Stock opening | 70,000 | Rent and Taxes | 20,000 | | |

| | Rs. | | Rs. |
|------------------|----------|----------|--------|
| Sundry Debtors | 1,00,000 | Salaries | 40,000 |
| Sundry Creditors | 48,000 | | |
| Wages | 32,000 | | |

17. Trial Balance as on 31st March, 2010 as follows :

| | Dr. | Cr. |
|------------------------------|--------|-------|
| | Rs. | Rs. |
| Sundry Debtors | 50,000 | |
| Bad debts | 4,000 | |
| Provision for Doubtful debts | | 4,000 |

Additional information :

- (a) Write off further bad debts Rs. 1,000
- (b) Provide for doubtful debts at 5% on debtors.

Pass Journal entries.

18. X Ltd., purchased a machine for Rs. 60,000 on 1.1.2009. Depreciation is provided at 10% p.a. on diminishing balance method. Prepare the Machinery Account.
 - (a) Machine being sold on 1.7.2011 for Rs. 27,500
 - (b) Machine being purchased on 1.7.2011 costing Rs. 65,000 in exchange of the old one and paying an amount of Rs. 30,000

- (c) Machine being destroyed by fire on 1.7.2011 with scrap value of Rs. 500 and insurance company accepting the claim for Rs. 26,000.

19. On 31.3.2007 the cash book of a trader showed a favourable balance of Rs. 4,470 but the pass book showed a favourable balance of Rs. 4,720. The difference was due to the following reasons :

- (a) Interest on Investments of Rs. 195 was credited in pass book but no entry was passed in the cash book
- (b) Debt of Rs. 35 for bank charges appeared twice in pass book but no entry was made in the cash book.
- (c) Prakash deposited a cheque of Rs. 465 directly into Trader's Bank account for which there is no entry in the cash book.

Reconcile the balance by preparing BRS.

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Distinguish between single entry system and double entry system.
21. Explain the important methods of calculating depreciation.

22. Distinguish between balance sheet and statement of affairs.

23. From the following information, prepare two columnar cash book.

| | Rs. |
|-----------------------------|-------|
| 1 Cash in hand | 1,200 |
| 2 Cash received from Natesh | 5,850 |
| 4 Purchased goods for cash | 5,400 |
| 10 Cash sales | 4,500 |
| 15 Deposited into the bank | 2,500 |
| 20 Cash withdrawn from bank | 4,000 |

24. From the following details, prepare the manufacturing and trading account for the year ended.

| | Rs. |
|-----------------------------------|--------|
| Opening stock of raw materials | 40,000 |
| Carriage on raw materials | 2,000 |
| Purchase of raw materials | 30,000 |
| Opening stock of finished goods | 20,000 |
| Electric power consumed | 12,000 |
| Opening stock of work in progress | 15,000 |
| Returns-raw materials | 2,000 |

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Rs.

| | |
|-----------------------------------|----------|
| Factory insurance | 8,000 |
| Sales | 1,85,000 |
| Repairs-machinery | 5,000 |
| Manufacturing wages | 18,000 |
| Factory rent and taxes | 24,000 |
| Sales returns | 15,000 |
| Depreciation on factory buildings | 12,000 |
| Depreciation on plant | 10,000 |

Closing stock of raw material Rs. 12,000 work in progress Rs. 14,000 and finished goods Rs. 30,000.

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