

22. Discuss the characteristics of single entry system.

23. The following transactions are extracted from the books of a sole trader on 31.12.2016, Prepare a Trial Balance as on that date and find the capital amount.

	Rs.		Rs.
Cash in hand	2,400	Plant and Machinery	1,20,000
Purchases	2,40,000	Sales	4,00,000
Bills payable	44,000	Stock (opening)	70,000
Sundry debtors	1,00,000	Wages	32,000
Sundry creditors	48,000	Furniture	30,000
Bad debt reserve	2,000	Bills receivable	40,000
Rent and Taxes	20,000	Salaries	40,000
Capital	?		

24. From the following particulars prepare a bank reconciliation statement as on 31.3.2016:

	Rs.
Balance as per the cash book	2,300
Cheques issued but not presented for payment	6,000
Cheques deposited during the month of March but credited in April	14,000
Bank charges not recorded in the cash book	150
Dividend collected by bank not recorded in the cash book	800

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Time : Three hours

Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define personal account. Give example.
2. State objectives of accounting.
3. What is balance sheet?
4. What do you mean by direct expenses?
5. What is suspense account?
6. Why it is called pass book? Who will make entry?
7. What is fixed installment method?
8. State two causes of depreciation.
9. Pass journal entry :
  - (a) Paid telephone rent for one year Rs. 6,500
  - (b) Cash paid to kumar Rs. 5,940 and rebate received Rs. 60.
10. What do you mean by ledger posting?

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11. What are the steps in conversion method?
12. State two differences between networth method and conversion method.

SECTION B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. What are the various types of cash books?
14. State the need for bank reconciliation statement.
15. What are the differences between balance sheet and statement of affairs?
16. Prepare cash book from the following details :  
Raj started business with Rs. 50,000 on 5<sup>th</sup> April, 2017  
April 7    Paid rent advance Rs. 15,000  
          8    Paid for stationery Rs. 500  
         10    Purchase goods for work Rs. 12,000  
         12    Cash sales made Rs. 7,000
17. What adjustment entries are required to be made in the books for the following?
  - (a) Goods in stock worth Rs. 8,000 are destroyed by fire. Insurance company accepts the claim of Rs. 6,000
  - (b) A debt of Rs. 3,500 previously written off is now recovered to the extent of Rs. 1,800.

18. X Logistics Company purchased 5 lorries at Rs. 5,00,000 each on April 1, 2015. The company writes off depreciation of 20% on original cost and observes calendar year as its accounting year. On 1.10.2017 one of the lorries met with accident and is completely destroyed. Insurance company pays Rs. 1,20,000 as full settlement of the claim. Prepare lorry a/c for three years ending on 31.12.2017.

19. Xavier started his business with Rs. 25,000 as capital on 1.1.2015. During the year he introduces Rs. 4,000 as additional capital and withdrew at the rate of Rs. 600 per month. On 31.12.2015 his position was as follows :

Bank balance Rs. 2,000, Stock 20,000, Debtors 12,000, Furniture 500, Cash in hand 500, Sundry creditors 6,000, Expenses outstanding 400.

He keeps his books under the single entry method. Determine his profit or loss for the period 2015.

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the functions of accounting. How does book-keeping differ from accounting?
21. Describe the objectives and methods of depreciation.