

22. Enumerate the defects of single entry system.

23. Prepare trial balance and identify the error:

	Rs.		Rs.
Opening stock	10,000	Loan a/c (cr)	15,000
Purchases	49,000	Sundry debtors	42,000
Wages	15,000	Capital	50,000
Rent	1,000	Provision for bad-debts	2,800
Salaries	8,000	Sales returns	2,000
General expenses	900	Discount allowed	500
Plant	15,000	Sundry creditors	20,000
Furniture	8,000	Cash at bank	5,000
Sales	1,28,600	Building	60,000

24. The following balances are extracted from the books of a sale trader on 31.03.2015. Prepare final accounts:

	Rs.		Rs.
Cash in hand	2,400	Sundry debtors	1,00,000
Capital	2,00,000	Sundry creditors	48,000
Purchases	2,40,000	Wages	32,000
Bills payable	44,000	Plant and machinery	1,20,000
Stock (opening)	70,000	Sales	4,00,000
Furniture	30,000	Bad debt reserve	2,000
Bills receivable	40,000	Salaries	40,000
Rent	20,000		
Closing stock	55,000		

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Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define real account. Give example.
2. What is financial accounting?
3. What are the components of final account?
4. What are called intangible assets?
5. Narrate compensating error.
6. Define suspense account.
7. State the importance of depreciation.
8. When the asset has no scrap value?
9. What is net worth method of ascertaining profit?
10. What is conversion method of single entry?
11. Which are real, nominal and personal account?
 - (a) Fixtures
 - (b) Bank loan borrowed
 - (c) Rent paid
 - (d) Advance paid to landlord
 - (e) Goods purchased
 - (f) Assets sold
 - (g) Jagan, the proprietor.

12. Pass journal entries:

- (a) Kumar started his business with a capital of Rs. 10,00,000
- (b) Bought machinery for Rs. 1,50,000.

PART B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions.

13. Mention the advantages of imprest system of Book - keeping.

14. What are the purposes of preparing BRS?

15. Explain the characteristics of single entry system.

16. Prepare two column cash book for the following:

Cash in hand Rs. 8,500

Goods purchased for cash Rs. 2,500

Wages paid in cash Rs. 3,500

Cash drawn from bank for office purpose Rs. 4,000
paid to mano Rs. 1,900 and discount allowed to him is Rs. 100.

17. Pass adjustment entry for the following:

- (a) Closing stock of raw-materials and of finished goods worth Rs. 30,000 and 40,000 respectively
- (b) Wages and printing expenses are outstanding to the extent of Rs. 10,000 and Rs. 5,000 respectively.

18. From the following prepare bank reconciliation statement as on 30.6.2006

- (a) Bank pass book shows a balance of Rs. 1,950 on 30.6.2006 (favourable)
- (b) Interest of Rs. 125 has been debited in the pass book, but has not been entered in the cash book.
- (c) Cheques issued but not credited prior to 30th June, 2006 amounted to Rs. 1150.
- (d) Club bill directly debited to bank account not yet reflected in the cash book Rs. 1,270.

19. John and Co. Purchased two assets, particulars of which are given as under:

	Cost	Scrapvalue	Estimated life of the assets
	Rs.	Rs.	Rs.
Furniture	73,200	480	6 years
Plant	1,52,800	3,280	8 years

You are require to determine the amount of depreciation to be written of in each case. Assume that the company has adopted straight line method of depreciation.

PART C — ($3 \times 10 = 30$ marks)

Answer any THREE questions.

20. Discuss the reasons for difference in cash book and pass book balances.

21. Describe the advantages and disadvantages of fixed installment method of depreciation.