

Time : Three hours

Maximum : 75 marks

## SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. What do you mean by Double entry system of book-keeping?
2. What are the objectives of accounting?
3. Define the term Journal.
4. Mention the different stages in preparation of Final Accounts of a sale trading concern.
5. Give a list of 'Non-trading concerns'.
6. Distinguish between fixed capital and fluctuating capital in partnership firm.
7. List out the different methods of valuation of goodwill of a firm.
8. What do you mean by Depreciation?
9. Mention the different causes of Depreciation.
10. State the defects of Single Entry System.

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## SECTION B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. Prepare Trial Balance from the following.
 

Capital	9,000	Rent outstanding	1,000
Plant and Machinery	12,000	Opening Stock	2,000
Purchases	8,000	Sales Returns	4,000
Sales	12,000	Investments	14,000
Sundry Creditors	8,000	Debtors	12,000
Bank Loan	22,000		
14. Prepare trading and Profit and Loss Account from the information given below.
 

Opening stock	3,600	Rent (Factory)	400
Purchases	18,260	Rent (Office)	500
Wages	3,620	Sales Returns	700
Closing stock	4,420	Purchase Returns	900
Sales	32,000	General Expenses	900
Carriage on purchases	500	Discount to Customers	360
Carriage on sales	400	Interest from Bank	200

15. Balu and Somu share profit and loss in the ratio of 7:3. They admit Chandra as a new partner. Balu surrendered 1/7<sup>th</sup> of his share and Somu surrendered 1/3<sup>rd</sup> of his share to Chandra. Find out the new ratio and sacrificing ratio.

16. Prepare Receipts and Payments A/c of a club for the year ended 31<sup>st</sup> Dec 2016 from the following particulars :

	Rs.		Rs.
Opening balance for cash	40,000	Rent paid	1,200
Receipt of entrance fees	8,000	Payment for Subscription received	
Subscription received for 2016	16,000	Purchaser of Cricket balls	500
Previous year's Subscription received	1,600	Cricket bats	
Paid salaries	2,000	Payment for purchase of Cricket bats	1,600
Pair for Miscellaneous expenses	200	Payment for stationery in Cash	
			100

17. Athiyaman & Co., purchased a computer for Rs. 23,500 on 1<sup>st</sup> October 1988 and installed it by spending Rs. 1,500. Every year depreciation is to be charged at 10% on straight line method. The computer is sold on 1<sup>st</sup> July 1991 at a price of Rs. 15,625. Assuming that the accounts are closed every year on December 31, prepare the computer account.

18. A fire occurred at the premises of a trader on 31.5.2016 destroying a great part of his goods. His stock at 1.1.16 was Rs. 60,000. The value of stock salvaged was Rs. 13,5000. The gross profit on sales was 30% and sales amounted to Rs. 1,53,000 from January to date of fire, while for the same period the purchases amounted to Rs. 1,03,500. Prepare a statement of claim.

19. Mohan a retail merchant, commenced business with a capital of Rs. 24,000 on 1.1.2000. Subsequently on 1.5.2000 he invested a further capital of Rs. 10,000.

During the year he has withdrawn Rs.4,000 for his personal use.

On 31<sup>st</sup> Dec. 2000 his assets and liabilities were as follows :

	Rs.
Cash at bank	6,000
Debtors	8,000
Stock	32,000
Furniture	4,000
Creditors	10,000

Ascertain the profit or loss for the year 2000.

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[P.T.O.]

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the different accounting concepts.

22. From the following prepare Income & Expenditure A/c and Balance sheets of a club for the year ended 31.12.97.

Summary of Cash Book

	Rs.		Rs.
To Balance b/d	2,350	By Salaries	1,200
To Entrance fees	300	By Electricity	120
To Subscriptions :		By Journals	525
2014	50	By Fixed deposits	2,500
2015	3,500	By Utensils	200
2016	75	By Payment	
To profit from		to creditors	1,000
refreshments	100	By Balance c/d	1,150
To Locker Rents	200		
To Sundry Income	120		
	<u>6,695</u>		<u>6,695</u>

21. From the following particulars for the year ending 31 Dec. 2002, prepare trading, profit and loss a/c and a balance sheet as on that date:

Debit	Rs.	Credit	Rs.
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000
Trade Expenses	600		
Purchases	25,000		
Advances	2,500		
Bank balance	5,600		
	<u>81,500</u>		<u>81,500</u>

Additional information :

- The closing stock is Rs. 9,000
- Outstanding salary Rs. 500
- Rent prepaid Rs. 200
- Calculate 5% interest on capital.

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23. Mathy and Malathy are partners sharing profit and loss in the ratio of 3:2 Their balance sheet as on 31 Dec 2007 is as follows :

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	18,000	Cash	10,000
Bills payable	2,000	Sundry Debtors	45,000
General reserve	5,000	Less Pro.	
Capitals :		for DD	1,000
Mathy	30,000	Stock	20,000
Malathy	25,000	Furniture	6,000
	<u>80,000</u>		<u>80,000</u>

They agree to admit Mahihini into the partnership with effect from 1.1.2008 on the following terms :

- That the provision for Doubtful Debts be increased to Rs. 1,800.
- That the Unrecorded Investments valued at Rs. 4,000 be brought into the books.
- That the goodwill of the firm be valued at Rs. 25,000.
- That the profit sharing ratio of Mathy, Malathy and Mahihini be 5:3:2.
- That Mahihini shall bring in Rs. 25,000 as her capital.

Show the journal entries to give effect to the above arrangement and prepare balance sheet after the admission of Mahihini.

Show also the Revaluation Account.

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24. A Trader takes a lease for 5 years for Rs. 4,00,000. He decides to write off lease by Annuity method presuming the rate of interest at 5% p.a. The annuity table show that the annuity amount necessary to write off Re. 1 in 5 years at 5% p.a. is Re. 0.230975. Show the necessary lease account for all the years.