

FACULTY OF COMMERCE

B.Com. I – Semester (CBCS) Examination, November / December 2019

(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade / Tax Procedure and Honours Courses)

Subject: Financial Accounting

Paper Code – DSC – 101

Time: 3 Hours

Max.Marks: 80

PART – A (5x4 = 20 Marks)

[Short Answer Type]

Note: Answer any five of the following questions.

- 1 Explain Accounting Equation
- 2 Explain advantages of Subsidiary Books
- 3 Prepare a Bank Reconciliation Statement from the following particulars
 - i) Bank Balance (Credit) as per Cash Book on 31st December 2015 Rs. 10,000
 - ii) Dividends collected and credited in Pass Book but not entered in Cash Book Rs. 700
 - iii) A wrong debit of Rs. 200 appears in the Pass Book
- 4 Explain Errors not disclosed by a Trial Balance
- 5 Pass necessary adjustment entries to the following:
 - i) Closing Stock Rs. 15,000
 - ii) Outstanding Expenses Rs. 1,200
 - iii) Prepaid Expenses Rs. 150
 - iv) Interest Accrued Rs. 150
- 6 Explain Branches of Accounting
- 7 Write out an Analytical Petty Cash Book from the following transactions
2015 August
 - 1 Issued a cheque of Rs. 1,000 to Petty Cashier
 - 2 Paid Electricity Charges Rs. 150
 - 4 Paid Telephone Expenses Rs. 200
 - 8 Printing Rs. 375
- 8 Explain advantages of Bank Reconciliation Statement.

PART – B (5x12 = 60 Marks)

[Essay Answer Type]

Note: Answer all from the following questions.

- 9 a) Explain the Accounting Concepts and the Accounting Conventions.
- OR
- b) Pass Journal entries, make Ledger postings and Prepare Trial Balance in the Books of Manik.
- 2015 Jan. 1 Commenced Business with cash Rs. 60,000
 3 Deposited in to Bank Rs. 40,000
 10 Purchased Machinery, Payment made by Cheque Rs. 30,000
 18 Purchased goods for cash Rs. 5,000
 20 Sold goods for cash Rs. 8,000
 30 Paid salary Rs. 2,000

10 a) Make out the Three Column Cash Book of Ram from the following particulars:

- 2015 April
- 1 Cash in Hand Rs. 3,000
 - 1 Bank Overdraft Rs. 4,500
 - 2 Paid Salaries Rs. 2,500
 - 3 Purchased goods for Cash Rs. 3,000
 - 4 Cash Sales of Rs. 16,000
 - 5 Issued cheque in favour of Krishna (Discount Received Rs.300) Rs. 2,600
 - 6 Received cash from Dhawan (Discount Allowed Rs. 150) Rs.2350
 - 7 Received cheque from Ali Bro (in Full Settlement and their debt Rs. 2000) Rs.1,900.
 - 8 Purchased Furniture Rs.1,500
 - 9 Cash sent to Bank Rs.2,000
 - 10 Cheque of Ali Bro. dishonoured
 - 11 Bank Charges Rs.20
 - 12 Rent paid by cheque Rs.1000.

OR

b) Prepare relevant Subsidiary Books from the following:

- 2015 Jan.
- 2 Goods sold to Ramana Rs.28,000
 - 6 Purchased Goods from Raghava Rs.18,000
 - 8 Sold goods to Kishore Rs.38,000
 - 9 Purchased goods for cash from Manohar Rs.23,000
 - 12 Purchased goods from Rekha Rs.75,000
 - 15 Ramana returned goods Rs.1,500
 - 18 Goods purchased from Rajesh (Trade Discount 2%) Rs.50,000
 - 22 Goods sold to Madhava for Cash Rs.18,000
 - 25 Goods returned to Rekha Rs.500
 - 27 Purchased Furniture from Godrej & Co. Rs.45,000
 - 30 Kishore returned goods Rs.1,000.

11 a) Prepare Bank Reconciliation Statement from the following on 31st Jan. 2013

- i) Bank Balance as per Cash Book Rs.16,500
- ii) Cheques amounting to Rs.4,000 were issued on 28th Jan. out of which cheques amounting to Rs.2,400 were presented for payment in Feb.2013
- iii) Cheques amounting to Rs.9000 were deposited for collection but cheque for Rs.3000 has not yet been collected by the Bank
- iv) A wrong debit of Rs.400 appears in the Pass Book
- v) Interest on Investments collected by the Bank Rs.1000 was not entered in the Cash Book
- vi) Pass Book showed a debit of Rs.175 for Insurance Premium and a credit of Rs.350 as Interest for which no entries were found in the Cash Book.

OR

b) Why is a Bank Reconciliation Statement prepared? Explain.

12 a) An Accountant could not tally the Trial Balance. The difference was placed to Suspense Account. The following errors were located:

- *) The Sales Book was Under cast by Rs.3,500
- ii) Legal Expenses paid Rs.950 were not posted to Legal Expenses Account
- iii) Discount allowed column of Cash Book was wrongly added as Rs.1,400 instead of Rs.1,200.
- iv) Commission paid Rs.250 was posted twice in Commission Account
- v) Sale of Rs.1390 to Ramnath was posed to his account as Rs.1930. Give Rectification Entries and Prepare Suspense Account.

OR

- b) Mr. Srinu purchased a Machine on 1-1-2014 for Rs.2,00,000. Paid Customs Duty and Freight Rs.50,000 and incurred Erection charges Rs.50,000. He purchased another Machine on 1-7-2014 for Rs.1,00,000. On 1-7-2016 he sold 1/3rd of the First machine for Rs.45,000 and purchased another Machine for Rs.65,000. Depreciation is provided by him @ 25% p.a. on Straight Line Method. Assuming that the books are closed every year on 31 December. Prepare Machinery Account for the years 2014 to 2017. <https://www.osmaniaonline.com>

- 13 a) From the following particulars prepare Trading and Profit and Loss Account for the year ended 31st December 2015 and a Balance Sheet as on that date, also pass the closing entries.

	Rs.		Rs.
Capital	30,000	Drawings	6,000
Sundry Creditors	43,000	Bills Payable	4,000
Sundry Debtors	51,000	Bills Receivable	17,000
Furniture	8,500	Opening Stock	47,000
Cash in Hand	900	Cash at Bank	12,500
Bank Overdraft	6000	Purchases	48,900
Duty and Clearing Expenses	3,500	Sales	1,27,000
Salaries	9,500	Travelling Expenses	4,700
General Expenses	2,500	Rent paid	2,000
Commission Received	4,000		
Closing Stock	50,000		

OR

- b) From the following Trial Balance of Sri Kiran prepare Trading and Profit and Loss Account and Balance Sheet.

Particulars	Debit Rs.	Credit Rs.
Capital	--	60,000
Drawings	7,200	--
Opening Stock	20,500	--
Purchases	68,000	--
Carriage Inwards	1,500	--
Sales	--	1,40,500
Sundry Debtors	23,500	--
Sundry Creditors	--	14,300
Cash in Hand	500	--
Cash at Bank	2,200	--

Carriage Outwards	1,700	--
Salaries	16,000	--
Factory Rent	4,000	--
Bills Receivable	5,300	--
Bills Payable	--	4,200
Insurance	1,200	--
Furniture	10,000	--
Machinery	28,000	--
Office Rent	2,000	--
Manufacturing Wages	21,500	--
Provision for Doubtful Debts	--	1,000
Manufacturing Expenses	1,500	--
General Expenses	5,400	--
	2,20,000	2,20,000

The following adjustments are required:

- Closing Stock Rs.27,000
- Write off Rs.500 as Bad Debts and maintain the Provision for Doubtful Debts at 5% on Sundry Debtors
- Unexpired Insurance is Rs.300
- Depreciate Machinery by 5% and Furniture by 10%.

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