

Reg. No. :

Code No. : 32081 E Sub. Code : CMCO 11

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2023.

First Semester

Commerce – Core

FINANCIAL ACCOUNTING – I

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer

1. The excess of assets over liabilities is _____
(a) loss (b) cash
(c) capital (d) profit
2. Trial balance is a _____
(a) statement (b) account
(c) ledger (d) journal

3. A bank reconciliation statement is prepared with the help of _____
- (a) Bank statement
 - (b) Cash book
 - (c) Bank statement and bank column of the cash book
 - (d) Petty cash book
4. The difference in trial balance is taken to _____
- (a) the capital account
 - (b) the trading account
 - (c) the suspense account
 - (d) the profit and loss account
5. When a new acceptance is received by cancelling the old bill, it is called _____
- (a) renewal
 - (b) discounting
 - (c) dishonour
 - (d) trade bill
6. The grace days for a bill is _____
- (a) 3 Days
 - (b) 4 Days
 - (c) 5 Days
 - (d) 6 Days

7. Depreciation is caused by _____
- (a) lapse of time
 - (b) usage
 - (c) obsolescence
 - (d) all the above
8. The difference between standard turnover and actual turnover during the indemnity period is _____
- (a) actual sales
 - (b) standard sales
 - (c) short sales
 - (d) (a) and (b)
9. The amount of credit sales can be computed from _____
- (a) total debtors account
 - (b) total creditors account
 - (c) bills receivable account
 - (d) bills payable account
10. Incomplete records are generally maintained by _____
- (a) A Company
 - (b) Government
 - (c) Small size sole trader business
 - (d) Multinational enterprises

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

11. (a) Discuss briefly the branches of accounting.

Or

- (b) Enter the following transactions in a simple Cash book of Kamal.

Jan 2017		Rs.
1	Cash in hand	11,200
5	Received from Ramesh	300
7	Paid rent	30
8	Sold goods for cash	300
10	Paid Mohan	700

12. (a) Explain the classification of error.

Or

- (b) The following errors were detected before the preparation of trial balance. Rectify them.

- (i) Sales book is undercast by Rs. 100
- (ii) Sales book is overcast by Rs. 200
- (iii) Purchase book is undercast by Rs. 300
- (iv) purchase book is overcast by Rs. 400

13. (a) State any four essential features of bill of exchange.

Or

- (b) On 1-1-2000 Jeyanthi sold goods to Devi on credit for Rs. 2,000 and drew a bill on Devi for Rs. 2,000 for 3 months after date. Devi accepted it on 3-1-2000 and returned it to Jeyanthi. On maturity the bill was duly honoured by Devi Pass journal entries in the books of Jeyanthi.

14. (a) List out the objectives of providing depreciation.

Or

- (b) On 1-1-2017 a firm purchased a machine at a cost of Rs. 1,00,000. Its life was estimated to be 10 years with a scrap value of Rs. 10,000. Compute the amount of depreciation to be charged at the end of each year.

15. (a) Explain the features of incomplete records.

Or

- (b) From the following particulars ascertain profit or loss.

	Rs.
Capital at the beginning of the year (1-4-2016)	2,00,000
Capital at the end of the year (31-3-2017)	3,50,000
Additional capital introduced during the year	25,000
Drawings made during the year	30,000

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

- (a) Discuss in detail about the users of Accounting Information.

Or

- (b) Classify the following into personal, real and nominal accounts.

- (i) Capital
- (ii) Building
- (iii) Carriage inwards
- (iv) Cash
- (v) Commission received
- (vi) Bank
- (vii) Purchase
- (viii) Chandru

- (a) From the following information, Prepare bank reconciliation statement as on 31-12-2017 to Find out the balance as per bank statement.

	Rs.
(i) Balanced as per bank statement	6,000
(ii) Cheques deposited on 28-12-2017 but not yet credited	2,000
(iii) Cheques issued for 10,000 on 20 th December, 2017 but not yet presented for payment	3,000

	Rs.
(iv) Interest on debentures directly collected by the bank not recorded in cash book	4,000
(v) Insurance premium on building directly paid by the bank	1,000
(vi) Amount wrongly credited by bank	500

Or

- (b) The following errors were located after the preparation of the trial balance. Assume that there exists a suspense account. Rectify them.

- (i) Sale of goods on credit to Arun for Rs. 152 posted to his account as Rs. 125.
- (ii) Bought goods from lakshmi on credit for Rs.550, credited to her account as Rs. 505.
- (iii) Purchase of furniture from Abirupa for Rs. 404 on credit was debited to furniture account.
- (iv) Purchased machinery for cash Rs. 200 was not passed to machinery account.
- (v) The total of purchase book Rs. 89 was carried forward as Rs. 98.

18. (a) Kannan purchased goods from Raman, the due dates for payment in cash being as follows:

Mar-15 - 1,000 Due 18th April

Apr-21 - 1,500 Due 24th May

Apr-27 - 500 Due 30th June

May-15 - 600 Due 18th July

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain that date.

Or

- (b) On 1-6-99, John drew four bills of exchange on Mani for Rs. 750, Rs. 1,500, Rs. 2,000, and Rs. 3,500 for 1 month, 2 months, 3 months and 4 months respectively. Mani accepted the bills and returned to John. John endorsed the first bill to his creditor Samy. He sent the second bill to the bank for collection. He discounted the third bill with bank at 24% p.a. He retained the fourth bill till due date. All the bills were duly honoured at maturity. Pass Journal entries in the books of John.

19. (a) Calculate the amount of depreciation and depreciation rate from the following by using 'straight line method'. Also give journal entries for the first two years. The books are closed on 31-12 every year.

	Rs.
Jan-1-2016	
Payment to vendor for purchase of machinery	1,40,000
Transportation cost	1,000
Installation cost	9,000
Estimates scrap value at the end of the life	45,000
Estimate life 7 years	

Or

- (b) A fire occurred at the premises of a trader on 31-05-1994 destroying a great part of his goods. His stock at 1-1-1994 was Rs. 60,000. The value of stock salvaged was Rs. 13,500. 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.

20. (a) From the following particulars. Calculate total sales.

	Rs.
Debtors on 1-4-2017	1,50,000
Bills receivable on 1-4-2017	40,000
Cash received from debtors	3,90,000
Cash received for bills receivable	90,000
Bills receivable dishonoured	10,000
Sales return	40,000
Bills receivable on 31-3-2018	30,000
Sundry debtors on 31-3-2018	1,30,000
Cash sales	2,00,000

Or

- (b) David does not keep proper books of accounts. Following details are given from his records.

Particulars	1-4-2018 Rs.	31-3-2019 Rs.
Cash	43,000	29,000
Stock of goods	1,20,000	1,30,000
Sundry debtors	84,000	1,10,000
Sundry creditors	1,05,000	1,02,000
Loan	25,000	20,000
Business premises	2,50,000	2,50,000
Furniture	33,000	45,000

During the year he introduced further capital of Rs. 45,000 and withdrew Rs. 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information.