

**VIVEKANANDHA COLLEGE FOR WOMEN**  
**DEPARTMENT OF COMMERCE**  
**FINANCIAL ACCOUNTING**

**Time: 3 HOURS**

**Max. Marks:75**

**SECTION –A**

**(ANSWER ALL QUESTIONS)**

**(10X2=20)**

1. What is Journal?
2. Write the Accounting Equation.
3. Write short notes on: Dual aspect concept.
4. Define Trial balance.
5. What is “Fixed Assets”?
6. Explain the meaning of non-trading organization.
7. What is “Equation of Payment”?
8. What is “Bank Reconciliation Statement”?
9. What is “Reserve”?
10. Name the various methods of providing for depreciation.

**SECTION-B**

**(ANSWER ALL QUESTIONS)**

**(5x5=25)**

11. a) What is accounting? Explain its main objectives. **(OR)**  
b) Prepare a Day book and an invoice book from the following particulars:  
2000  
June 1 Purchase 40 carpets from M/s. Perumal &Co., at Rs. 35 each  
8 Sold 10 carpets to Ram at Rs. 42 each  
14 Purchase of palani &Co., 24 carpets at Rs. 60 each  
20 Purchase 14 carpets from Delhi Trading Co.,at Rs. 23 each  
22 Sold for cash 25 carpets at Rs.46 each  
30 Purchased for cash 8 carpets at Rs. 10 each  
31 Sold to M/s. Roy & Co., 14 carpets at Rs. 52 each.

12. a) From the following balances prepare a Trial Balance as on 31<sup>st</sup> March 2009.

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
Cash in hand	2,400	Sales	4,00,400
Op. Stock	70,000	Purchase	2,72,000
Machinery	1,50,000	Creditors	88,000
Capital	2,44,000	Salaries	98,000
Debtors	1,40,000		

**(OR)**

- b) From the following details draw Trading and Profit and Loss Account of Santhosh as on 31.12.2010.

Particulars	Amt	Particulars	Amt
Opening Stock	30,000	Closing Stock	50,000
Purchase Returns	14,000	Sales	668000
Sales Returns	28,000	Purchase	434000
Wages	20,000	Carriage inward	7,500
Factory Rent	12,000	Office Rent	12,000
Carriage outwards	17,980	Trade Expenses	2,500
Interest on overdraft	6,260	Discount allowed	2,540
Salaries	9,000	Interest on investment	10,000

13. a) How would the following items appear in the income and expenditure account of a sports club?

Opening Stock of Sports materials	12,000
Opening Creditors for sports material	5,000
Payment for sports material	42,000
Sale of old sports material	1,000
Closing stock of sports material	15,000
Closing creditors for sports material	6,000

(OR)

b) From the following particulars prepare Receipts & Payments account:

Cash in hand	100	Rent Paid	400
Cash at bank	500	General	210
Subscription received	3,300	Expenses	
Donation Received	260	Postage	70
Investment Purchased	1,000	Sundry Expenses	30
		Cash balance at end	20

14 a) The following amounts are due to Ezil by sathya. Sathya wants to pay of on 18.03.97. Interest rate of 8% p.a is taken into consideration

Due Dates	Rs.
10.01.97	1,000
26.01.97 (Republic day)	2,000
23.03.97	6,000
18.08.97(Sunday)	8,000

Determine the amount to be paid.

(OR)

b) Give the proforma of BRS indicating the various items usually shown.

15 a) what are the difference between Reserves and Provisions?

(OR)

b) An asset is purchased for Rs. 25,000. Depreciation is to be provided annually according to the Straight Line method. The useful life of the asset is 10 years and the residual value is Rs. 5,000. Find out the rate of depreciation and prepare the assts account for the 3 years.

### SECTION-C

**Answer any 3 questions**

**(10x3=30)**

16. Enter the following transactions in the Journal and Ledger of Raj 2000

March 1 Raj commenced business	Rs.30000	
3 Purchased goods	Rs.1500	
4 Deposited into bank	Rs.21000	
5 Withdrew from bank for office use	Rs.1500	1,500
6 Sold goods to Ram	Rs.1500	
10 Purchased goods from Kannan	Rs.680	
19 Received from Ram Rs. 1,470 and allowed him discount	Rs.30	
20 Cash sales		Rs. 2,400
27 Paid to Kannan in full settlement	Rs.650	
28 Paid rent	Rs.450	

17. Prepare three column cash book from the following transaction for the month of Jan 2009

Jan 1 Balance in hand	Rs.2540	
Balance at bank	Rs.3500	
2 Received from a customer a cheque for Rs 500 and discount allowed	Rs.25	
3 Sold goods Rs.150		150
4 Paid Ram by cheque Rs.100 & discount received Rs.10		10
5 Salary paid Rs.200		200
6 Withdrew from bank for office use Rs.500		500
7 Typewriter purchased by cheque Rs.500		500

18. Following is the balance as on 31<sup>st</sup> Dec 2008 of Rajan . Prepare trading and profit and loss account for the year 2008 and a balance sheet as on the date:

Purchases	8,000	Capital	40,000
Salaries	3,000	Creditors	8,500
Rent	1,500	Sales	38,000
Debtors	30,000	Loan	12,000
Cash	1,500		
Wages	2,000		
Bank balance	3,000		
Opening Stock			
Machinery	2,000		
Building			
Insurance	15,000		
	30,000		
	2,500		
	98,500		98,500

1. The closing stock was Rs. 18,000
  2. Salaries outstanding Rs.500
  3. Insurance Prepaid Rs.250
  4. Depreciate Machinery @ 10%
  5. Create a provision on debtors @ 2% for bad debts
19. Describe the Methods of preparing Account current
20. A boiler was purchased for Rs. 20,000. Shipping expenses Rs.4, 000, import duty 14,000 & expenses of installation Rs. 2,000. Calculate depreciation for first 3 years @ 10% on Written down value method.