

CLASS: UG – SKILL BASED ELECTIVE

15A/20

St. JOSEPH'S COLLEGE (AUTONOMOUS) TIRUCHIRAPPALLI – 620 002

SEMESTER EXAMINATIONS – APRIL 2015

TIME: 3 Hrs.

MAXIMUM MARKS: 100

SEM	SET	PAPER CODE	TITLE OF THE PAPER
VI	2012	11UCC640602	BASICS OF ACCOUNTING

SECTION – A

Answer all the questions:

20 x 1 = 20

Choose the correct answer:

- Book keeping is mainly concerned with
 - Interpreting the data for users
 - Recording of financial data
 - Classifying and summarizing the reward data
 - None of these
- Accounting information required for the
 - Owners
 - Government
 - Creditors
 - All the above
- Bank account is a
 - Real A/c
 - Personal a/c
 - Nominal a/c
 - None of these
- Goods taken for personal use should be debited to
 - Drawings a/c
 - Proprietor's a/c
 - Purchases a/c
 - Sales a/c
- Salary paid to manager must be debited to
 - Managers a/c
 - Office expenses
 - Salaries a/c
 - Trading a/c

Fill in the blanks:

- The system of recording transactions for dual concept is called _____ system.

7. The process of recording in the ledger is called _____.
8. Purchase of furniture is debited to _____ a/c.
9. Trading is prepared to find out the _____.
10. Balance is a _____.

State True or False:

11. Accounting provides the information required for decision making.
12. Financial reports should provide adequate disclosures and be released on a timely basis.
13. Assets = Capital + Liabilities.
14. Drawings are deducted from Capital a/c.
15. The item shown on the adjustments to be shown twice.

Match the following:

- | | |
|--------------------------|-------------------------|
| 16. Journal entry | - a) Cost of production |
| 17. Trial balance | - b) Financial position |
| 18. Indian Overseas Bank | - c) Statement |
| 19. Manufacturing A/c | - d) Personal account |
| 20. Balance sheet | - e) Original book |

SECTION – B

Answer all the questions:

5 x 7 = 35

21. a. State the differences between Book keeping and Accounting.

OR

- b. Write down the principles of Double entry system with examples.
22. a. Journalize the following transactions.

February		
2014	1	Started Business with cash 3,50,000
	7	Paid salaries 5,000
	10	Purchased goods from Guru 1,50,000
	15	Paid to Guru ` 1,40,000 in full settlement of his account --
	16	Sold goods to Kamal 3,40,000
	18	Drew goods for personal use 5,000

OR

b. Prepare the cash a/c for the following.

January		
2014	1	Deposited into Bank 50,000
	3	Received from Gopal 25,000
	4	Paid to Mr. Rajan 10,000
	10	Cash received from Kannan 15,000
	15	Sold goods for cash 25,000
	16	Withdrew from Bank 10,000

23. a. Prepare a Trial Balance from the following data.

Capital	16,800	Opening stock	21,000
Drawings	5,000	Purchases	36,000
Sales	72,000	Purchase returns	2,000
Sales returns	3,000	Debtors	4,500
Creditors	2,500	Furniture	900
Bills Receivable	2,300	Bills payable	4,200
Wages	1,200	Advertisement	600
Discount allowed	100	Commission received	600
Machinery	20,000	Cash	3,500

OR

b. Prepare the Balance sheet from the following

Capital ` 1,00,000

Machinery ` 80,000

Depreciation on machinery ` 8,000; on Furniture ` 5,000; Furniture ` 50,000; Debtors ` 40,000; Cash ` 25,000; Commission accrued ` 500; Net profit ` 33,500; Drawings ` 4,000; Creditors ` 60,000; Rent received in advance ` 8,000.

24. a. Prepare trading a/c from the following details.

	`
Stock (1-4-2014)	8,000
Purchases	70,000
Wages	15,800
Sales	1,25,000
Carriage inwards	800
Gas and fuel	2,200
Purchase returns	2,000
Sales returns	1,500
Salary	7,000
Closing stock (31-3-2015)	10,000

OR

- b. Calculate the cost of production from the following.

	`
<u>Opening stock:</u>	
Raw materials	20,000
Work in progress	3,000
Purchase of Raw materials	50,000
<u>Closing stock:</u>	
Raw materials	20,000
Work-in-progress	4,000
Wages	32,000
Fuel and gas	1,000
Factory expenses	40,000
Depreciation on plant & machinery	3,000

25. a. The sundry debtors on 31-12-95 are ` 40,000 on analysis it is found that debtors for ` 36,000 are good. The debtors for ` 3,000 are doubtful and are estimated to realize $\frac{2}{3}$ rd of

the amount and the debtors for ₹ 1,000 are bad. Make a provision for doubtful debts. Show the journal and the ledger a/c.

OR

b. From the following balances prepare profit and loss a/c.

	₹
Gross profit	50,000
Rent	10,000
Depreciation	8,000
Discount allowed	12,000
Advertisement	4,000
Audit fees	1,000
Interest received	2,000
Discount received	3,000
Carriage outwards	2,500
Insurance	3,500
General expenses	3,000

SECTION – C

Answer any THREE questions:

3 x 15 = 45

26. Explain the different types of accounting concepts.

27. From the following journalize the transaction.

2000

	₹
Jan 1 Business started	2,50,000
1 Cash deposited with bank	1,50,000
3 Purchase machinery on credit from Rangan	50,000
6 Bought furniture from Ramesh for cash	25,000
12 Goods sold to Yesodha	22,500
13 Goods returned by Yesodha	2,500
15 Goods sold for cash	50,000
17 Bought goods for cash	25,000
20 Cash received from Yesodha	10,000
21 Cash paid to Ramola	20,000

25	Cash with drawn from Bank	50,000
29	Paid advertisement expenses	12,500
30	Bought office stationery for cash	5,000
31	Cash withdrawn from Bank for personal use	6,250
31	Paid salaries	15,000
31	Paid rent	2,500

28. Post the following transactions in the Ledger and prepare the Trial Balance

2013

July 1	Started business with cash	50,000
2	Cash purchases	10,000
4	Sold goods to Kannan	5,000
5	Sales	5,000
6	Purchased goods from Raman	10,000
10	Paid Rent	2,000
13	Cash received from Kannan	5,000
15	Cash paid to Raman	10,000

29. From the following prepare the Trial Balance and the Trading and profit and loss a/c of Mr. Arul for the year ended 31-12-2014.

	4,000	Purchase returns	1,500
Land	4,000	Commission received	5,000
Opening stock	6,600	Bills payable	700
Machinery	13,000	Capital	15,000
Purchases	3,500	Bills receivable	1,500
Wages	1,300	Sales	22,000
Interest paid	230	Rent paid	1,270
Cash	8,000	Furniture	300
Debtors	1,000	Sales returns	1,000
Creditors	500		
Drawings			

Adjustments: a) Closing stock ` 4,500.

b) ½ of the commission received in respect of work to be done next year.

30. From the following Trial Balance extracted from the ledger of

Kamalnath, prepare Trading and profit and loss a/c and the Balance sheet for the year ended 31/12/2006.

Debit Balance	`	Debit Balance	`
Cash at Bank	2,610	Creditors	4,700
Debtors	11,070	Discounts	150
Salaries	4,950	Creditors for exp.	400
Carriage inwards	1,450	Returns outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad debts	1,310	Capital	40,000
Office expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on property	1,200		
Freehold property	10,800		
	<u>1,28,180</u>		<u>1,28,180</u>

Adjustments:

- Make provision for doubtful debts at 5%
- Calculate discount on creditors @ 2%
- Office expenses include stationery purchased ` 800.
- Carriage inwards include carriage paid on purchase of furniture ` 50.
- Outstanding salaries ` 150
- Prepaid insurance ` 300
- Stock on hand ` 10,700 (including stationery stock ` 200)
