Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_

**UNIVERSITY**

(Karunya Institute of Technology & Sciences)

(Declared as Deemed-to-be University under Sec.3 of the UGC Act, 1956)

**End Semester Examination – April/May– 2017**

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| **Code :** | **16BB2006** | **Duration :** | **3hrs** |
| **Sub. Name :** | **FINANCIAL ACCOUNTING** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| Q. No. | Sub Div. | Questions | | Course  Outcome | Marks |
| 1. |  | Prepare the Journal, Ledger and Trial Balance from the following transactions in the books of Ranjit Traders for the month of March, 2015:  1. Started business with Cash Rs. 40,000 and Furniture Rs. 10,000.  7. Purchased goods from Ajay Traders Rs. 10,000  10. Borrowed Rs. 20,000 from Vidya Bank.  16. Purchased machinery from Sunil Traders for Rs. 11,000 on credit  20. Purchased a watch dog from Nitin for Rs. 2,800 in cash to guardthe business premises.  24. House Rent of Rs. 1,500 paid to Raghu  25. Returned goods to Ajay Traders Rs. 1000  31. Sold goods for cash to Manikam worth Rs. 3,000 at 10% TradeDiscount | | CO1 | 20 |
| (OR) | | | | | |
| 2. | a. | Describe double entry system. State its advantages and disadvantages. | CO2 | | 10 |
| b. | Differentiate between balance sheet and trial balance. | CO2 | | 10 |
| 3. | a. | i) Give the rule of Journalise the Transaction of Real Account.  ii) What is Compound entry?  iii)What do you understand of the word ‘Drawings’?  iv) What is Current Asset?  v) What is Intangible Asset? | CO1 | | 10 |
|  | b. | Explain how the following items appear in final accounts with reasons:  i) Prepaid Expenses (ii) Goodwill, iii) Electricity power,  iv) Drawings, v) Closing stock | CO2 | | 10 |
| (OR) | | | | | |
| 4. | a. | Elucidate the major classifications of subsidiary books. | CO1 | | 10 |
|  | b. | Give a specimen format of Balance sheet, using imaginary figures. | CO2 | | 10 |
| 5. | a. | From the following particulars of Reema Traders, prepare a bankreconciliation statement on June 30,2006  1.Balance as per the cash book Rs.35,750  2.Rs.250 charges for Credit card fee is debited by bank, which is notrecorded in cash book.  3.Cheques for Rs.7,550 are deposited in the bank but not yet collectedby the Bank.  4.There was also a debit in the pass book of Rs.3,500 in respect of adiscounted bill dishonored. | CO2 | | 10 |
|  | b. | The following are the details regarding purchases of a certain item during the month of January.  January 1 Purchases 200 Units @ Rs.7 Rs. 1,400  January 8 Purchases 900 Units @ Rs.8 Rs. 7,200  January 25 Purchases 300 Units @ Rs.9 Rs. 2,700  January 30 Purchases 400 Units @ Rs.10 Rs. 4,000 \_\_\_\_\_\_\_\_  Rs.15,300  --------------  A Physical inventory of the items taken on January 31 shows that there are 700 units in hand. You are required to calculate the values of the inventory according FIFO method. | CO3 | | 10 |
| (OR) | | | | | |
| 6. | a. | Explain the concept of Depreciation. What is the need for charging depreciation? Explain any three methods of Depreciation. | CO2 | | 10 |
|  | b. | Explain the errors disclosed by trial balance. | CO2 | | 10 |
| 7. |  | On 1st January, 2000, a firm purchased a machine worth of Rs.1,65,000. On 1st January, 2001 and on 1st July 2003 the value of the additional machine purchased were Rs.28,500 and Rs.25,200. Residual values being Rs.1,500 and Rs.1,200 respectively. You are required to prepare a Machinery account for the first four years if depreciation is written off according to Written down value method assuming that the estimated working life of the asset is 10 years and its scrap value Rs.15,000 at the end of its life. | CO3 | | 20 |
| (OR) | | | | | |
| 8. |  | A limited company purchased on 1st January, 1998 a second hand plant for Rs. 12,000 and immediately spent Rs.8,000 on its overhauling. On 1st July in the same year additional plant costing Rs. 10,000 is purchased.  On 1st July, 2000 the plant purchased on 1st January, 1998 having become obsolete is sold for Rs. 4,000 and on the same date fresh plant is purchased at cost of Rs. 24,000.  Depreciation is provided @ 10% per annum on original cost on 31st December every year. Show the Plant Account from 1998 to 2001. | CO3 | | 20 |
|  | | **Compulsory:** |  | |  |
| 9. |  | From the following transactions of Mr. Rahul& Co., you are required to Prepare Trading, Profit and Loss Account and Balance Sheet for the year ended 31st Dec. 2015:   |  |  |  |  | | --- | --- | --- | --- | | **Debit Balances** | **Rs.** | **Credit Balances** | **Rs.** | | Opening stock | 30,000 | Sales | 2,80,000 | | Purchases | 80,000 | Purchase Returns | 4,000 | | Sales return | 6,000 | Discount | 5,200 | | Carriage Inwards | 3,600 | Sundry creditors | 25,000 | | Carriage outwards | 800 | Bills Payable | 2,800 | | Wages | 42,000 | Capital | 75,000 | | Salaries | 27,500 |  |  | | Plant and Machinery | 90,000 |  |  | | Furniture | 8,000 |  |  | | Sundry Debtors | 52,000 |  |  | | Bills receivable | 3,500 |  |  | | Cash in Hand | 6,300 |  |  | | Travelling Expenses | 3,700 |  |  | | Lighting (factory) | 1,400 |  |  | | Rent & Taxes | 7,200 |  |  | | General Expenses | 10,500 |  |  | | Insurance | 1,500 |  |  | | Drawings | 18,000 |  |  | | **Total** | **3,92,000** | **Total** | **3,92,000** |   **Additional Information**   1. Stock on 31st December, 2015 was valued at Rs.24,000 2. Salaries outstanding for December, 2015 amounted to Rs.2,500 3. Prepaid insurance amounted to Rs.300 4. Provide depreciation on plant and machinery at 5% and on furniture at 20% | CO2 | | 20 |

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