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



**End Semester Examination – Nov / Dec – 2019**

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| **Code : 16MS2001** |  | **Duration :** | **3hrs** |
| **Sub. Name : BUSINESS 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. | a. | |  | | --- | | Define Accounting. | | CO1 | | 5 |
| b. | Explain the concepts and conventions used in accounting. | CO2 | | 15 |
| **(OR)** | | | | | |
| 2. |  | |  | | --- | | Journalize the following transactions, post it in the Ledger and generate Trial Balance as on 31st March 2019  1.Brought capital into the business 50,000  5. Bought goods for cash from Mr. Suresh Rs.1700  9. Sold goods to Selvam on credit Rs.1700  10. Returned damaged goods to Mr.Richard Rs.500  11. Paid wages Rs.850  15. Received Commission Rs. 7000  18. Sold goods to Kumar for Cash Rs.2000  20. Cash Sales Rs. 50000  24. Received Five Chairs from Godrej & Co at Rs. 45 per chair  29. Paid Godrej & Co cash for five chairs  31. Paid Rent Rs. 2500 | | CO3 | | 20 |
|  |  |  |  | |  |
| 3. |  | The following are the balances extracted from the books of Mr. Thomas & Co. Find out the capital by preparing Trial Balance as on 31st December 2017  Capital xxxxxx Cash in hand 300  Buildings 15000 Cash at bank 4700  Machinery 10000 Salaries 14000  Motor Car 8000 Rent 4000  Furniture 1000 Commission 1400  Opening Stock 16000 Rents & taxes 600  Purchases 74000 Bad Debts 200  Purchase Returns 1000 Insurance 400  Sales 140000 Discount earned 500  Sales returns 500 Discount allowed 700  Debtors 15000 General expenses 800  Creditors 4800 Reserve for bad debts 300 | CO3 | | 20 |
| **(OR)** | | | | | |
| 4. |  | |  | | --- | | What are adjusting entries? How the following adjustment has to be dealt within the final accounts?  Stock at End  Salaries Outstanding  Rent paid in Advance  Insurance Paid in Advance  Depreciation  Goods taken for personal use. | | CO4 | | 20 |
| 5. |  | Explain the meaning of Depreciation. Highlight the methods of depreciation. Illustrate your answer. | CO5 | | 20 |
| **(OR)** | | | | | |
| 6. |  | TVS Ltd purchased 10 bikes during January and sold 6 bikes, details of which are as follows:  January 1 Purchased 5 bikes @ Rs.50 each  January 5 Sold 2 bikes  January 10 Sold 1 bike  January 15 Purchased 5 bikes @ 70 each  January 25 Sold 3 bikes  The value of 4 bikes held as inventory at the end of January may be calculated as follows:  The sales made on January 5 and 10 were clearly made from purchases on 1st January. Of the sales made on January 25, it will be assumed that 2 bikes relate to purchases on January 1 whereas the remaining one bike has been issued from the purchases on 15th January. Calculate the value of inventory under LIFO and FIFO. | CO3 | | 20 |
|  |  |  |  | |  |
| 7. |  | Prepare a cost sheet of the following data relating to the manufacture of Cotton Shirts:  Number of Cotton Shirts manufactured during the month 1,000  Direct materials consumed Rs.20,000  Direct labour Rs.8,000  Indirect labour (in factory) Rs.2,500  Supervision costs (in factory) Rs.1,000  Factory premises rent Rs.1,600  Factory lighting Rs. 600  Oil for machines Rs.100  Depreciation of machines Rs.500  Office overheads Rs.8,000  Office salaries Rs.2,000  Misc. office expenses Rs. 1,000  Selling and distribution overheads Rs.6,000  Note: A profit margin of 25% on the total cost of goods is expected on the sale of Cotton Shirts | CO3 | | 20 |
| **(OR)** | | | | | |
| 8. | a. | Prepare a flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 50%, 60% capacity and 90%.  **Variable overheads:** At 50% capacity (Rs)  Indirect Material 6,000  Labour 18,000  **Semi‐variable overheads:**  Electricity: (50% Fixed & 50% variable) 30,000  **Repairs: (**75% fixed & 25% Variable) 3,000  **Fixed overheads:**  Depreciation 16,500  Insurance 4,500  Salaries 15,000  Total overheads 93,000  Estimated direct labour hours 1,86,000 | | CO3 | 20 |
|  | | **Compulsory**: | |  |  |
| 9. |  | The Following are the Balances extracted from the books of M/s Victor & Co as on 31st March 2019.  Rs. Rs.  Victor’s Capital 12500 Cycle 200  Drawings 6,200 Opening stock 21500  Furniture 6,000 Sundry debtors 12000  Computer Systems 1200 Sundry Creditors 10000  Purchases 180000 Travelling Expenses 900  Sales 235000 Insurance 500  Frieght 12000 General Exp 600  Interest paid 250 Postages 150  Rent paid 5000 Bad debts 500  Return Outwards 5000 Reserve for Bad debts 400  Return Inwards 10000 Commission earned 9000  Carriage outward 8000 Discount allowed 5000  Salaries 11000 Cash on hand 450  Advertisement 1200 Bank overdraft 6500  Adjustments:  i) Stock as on 31st March 2019 Rs.17500  ii) Outstanding: Interest Rs.250, Salary Rs.1000, Rent Rs.1000  iii) Prepaid Expenses: Insurance Rs.125, Advertisement Rs.200  iv) Maintain Reserve on doubtful debts at 5% on debtors  v) Provide Depreciation: Furniture 10%, Cycle 15%, Computer 15% | | CO3 | 20 |
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