



7004

**First Semester Five Years B.Com.LL.B. Examination, December 2018**  
**FINANCIAL ACCOUNTING (2018 Batch)**

Duration : 3 Hours

Max. Marks : 80

- Instructions :**
1. Answer **all five** Units.
  2. One essay type question and short note/problems is **compulsory** from **each** Unit.
  3. Figures to the **right** indicate marks.
  4. Answers should be written in **English** only.
  5. **Use** simple calculator only.

**UNIT – I**

Q. No. 1. a) Distinguish between :

Marks : 10

- i) Book-keeping and Accounting.
- ii) Accounting and Accountancy.

**OR**

a) Explain the terms "Accounting Concepts" and "Accounting Conventions".

b) What are the objectives of book keeping ?

Marks : 6

**OR**

b) What is double entry system ?

**UNIT – II**

Q. No. 2. a) Enter the following in three column cash book.

Marks : 10

<b>Date</b>	<b>Details</b>	<b>Amount (Rs.)</b>
2014		
March		
01	Bank balance	42,000
01	Cash balance	15,000
04	Purchased goods by cheque	12,000
08	Sale of goods by cash	6,000

P.T.O.



13	Purchased machinery for cheque	5,500
16	Sold goods and received cheque	4,500
17	Purchased goods from Murali in cash	17,400
20	Purchased stationary by cheque	1,100
24	Cheque given to Rohit	1,500
27	Cash withdrawn from bank	10,000
30	Rent paid by cheque	2,500
31	Paid salary	3,500

OR

a) Journalise the following transactions in the books of Mr. Varun.

Marks : 10

2012

April

- 01 Started business with cash Rs. 80,000.
- 03 Deposited into bank Rs. 30,000
- 05 Bought goods from Suresh Rs. 20,000
- 06 Sold goods for cash Rs. 16,000
- 08 Purchased furniture and paid by cheque Rs. 5,000
- 12 Sold goods to Mala on credit Rs. 4,000
- 14 Returned goods to Suresh Rs. 1,000
- 15 Received loan from bank Rs. 1,000
- 17 Mala returned goods worth Rs. 300 for brokerage.



- 20 Paid for stationary Rs. 400
- 24 Cash received from Mala Rs. 3,500
- 25 Withdrew for office use Rs. 1,000
- 27 Withdrew a cheque for personal use Rs. 2,000
- 30 Paid rent to landlord Rs. 2,000

b) What is posting ? Explain the procedure of posting.

Marks : 6

OR

b) List the features of journal.

UNIT – III

Q. No. 3. a) From the following Trial Balance of Ravi Kumar as on 31-12-2012, prepare financial statements.

Marks : 10

S. No.	Name of the account	L.F.	Debit (Rs.)	Credit (Rs.)
1.	Drawings and capital		15,000	1,20,000
2.	Bills receivable		22,000	—
3.	Machinery		20,000	—
4.	Debtors and creditors		60,000	58,000
5.	Wages		39,000	—
6.	Purchases and sales		2,52,000	3,56,500
7.	Commission		—	5,500



8. Rent and taxes	6,000	—
9. Stock	90,000	—
10. Salaries	10,500	—
11. Travelling expenses	2,000	—
12. Insurance	600	—
13. Repairs	3,400	—
14. Bad debts	3,500	—
15. Furniture	9,000	—
16. Returns	5,000	—
17. Cash in hand	500	—
18. Cash at bank	1,500	—
	<b>5,40,000</b>	<b>5,40,000</b>

**Adjustments :**

- 1) Closing stock was Rs. 1,00,000
- 2) Create provision for bad debts on debtors @ 5%.
- 3) Prepaid insurance Rs. 100.
- 4) Commission earned but not received Rs. 500.
- 5) Wages and salaries are unpaid to the extent of Rs. 1,000 and Rs. 1,500 respectively.
- 6) Depreciate machinery @ 5% and furniture by 10% p.a.

OR



a) From the following Ledger Balances of a trader. Prepare Trading, Profit and Loss Account and Balance Sheet as on 31-12-2012.

Marks : 10

	Rs.
Opening stock	48,000
Drawings	6,000
Sales	1,25,000
Sundry debtors	18,000
Capital	25,000
Wages	14,000
Salaries	2,800
Carriage on purchases	2,500
Rent	3,500
Purchases	60,000
Discount on purchases	2,000
Interest on bank loan	100
Bills receivable	3,000
Plant and Machinery	10,000
Cash	1,000
Building	2,500
Bills payable	2,500
Bank loan	2,000
Reserve for bad debts	2,500
Return outwards	750
Sundry creditors	11,650



**Adjustments :**

- 1) Rent at Rs. 100 per month is not paid for 2 months.
- 2) Wages and salary are unpaid to the extent of Rs. 225 and Rs. 750 respectively.
- 3) Depreciate plant by 10%.
- 4) Stock at close ways Rs. 17,500.
- 5) Write off Rs. 1,500 bad debts and maintain a provision of 5% on debtors.

b) What is depreciation ? How is it adjusted in the books ? Marks : 6

OR

b) Write a short note on bad debts and doubtful debts.

**UNIT – IV**

Q. No. 4. a) From the following information given in respect of certain items of Sports Club. Show these items in the Income and Expenditure Account and Balance Sheet of the Club. Marks : 10

	Rs.
Sports fund as on 1-4-2005	35,000
Sports fund investments	35,000
Interest on sports fund	4,000
Donations for sports fund	15,000
Sports prizes awarded	10,000
Expenses on sports events	4,000
General fund	80,000
General fund investments	80,000
Interest on general fund investments	8,000

OR



- a) What is Receipt and Payment Account ? How is it different from Income and Expenditure Account ?
- b) What is subscription ? How is it calculated ?

Marks : 6

OR

- b) State the net for profit organisations.

UNIT – V

Q. No. 5. a) What are the pro's and con's of computerised accounting ?

Marks : 10

OR

- a) Explain the various steps involved in creation of a company.
- b) F11 features.

Marks : 6

OR

- b) Tally package.
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