

UG-307

**BCO-12/
BBCA-12**

**B.Com. DEGREE EXAMINATION –
JUNE, 2012.**

First Year

Computer Applications

FINANCIAL ACCOUNTING

Time : 3 hours

Maximum marks : 75

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. What are the advantages of accounting?
2. Pass necessary adjusting entries in the Thiru. John's journal on 31-3-08
 - (a) Rs. 10,000 for wages were outstanding
 - (b) Write off depreciation on machinery Rs. 5,000
 - (c) Closing stock Rs. 8,500
 - (d) Rs. 1,500 were received in advance as interest.

3. A new machine was purchased on 1-4-06 for Rs. 40,000. On 1-10-06 another machine was purchased for Rs. 20,000. On 30-09-07 the 2nd machine was sold for Rs. 15,000. The accounts are closed on 31st March each year.

Prepare machinery account for 2 years after charging depreciation at 10% p.a on diminishing balance method.

4. Ajay keeps his book under single entry system. Assets and liabilities on 30-4-05 and 30-4-06 stood as follows :

	30-4-05	30-04-06
	Rs.	Rs.
Cash	1,000	12,000
Stock	7,000	10,000
Debtors	15,000	20,000
Furniture	3,000	3,000
Creditors	3,000	6,000

He introduced an additional capital of Rs. 3,000 during the year. He withdrew Rs. 7,000 for his domestic purpose.

Find out the profit and loss for the year 2005-06.

5. Write any four differences between consignment and joint venture.

SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

6. From the following receipts and payment account prepare an income and expenditure account for the year ending 31-03-2008.

Receipt and payment account for the year (31-3-08)

Receipts	Rs.	Payment	Rs.
To bal b/d	1,800	By salary	4,800
To subscriptions		By rent	500
2006-07	500	By postage	200
2007-08	8,300	By cycle purchased	300
2008-09	<u>600</u>	By investment purchased	3,000
To sale of investments	2,000	By help of needs students	2,000
To sale of old furniture (book value Rs. 400)	300	By bal c/d	2,700
	<u>13,500</u>		<u>13,500</u>

subscriptions for 2007-08 still receivable were Rs. 700 Rent unpaid Rs. 60; interest due on investment Rs. 100.

7. Priya, a partner in a firm has been withdrawing Rs.1,000 at the end of each month from April to September for private expenses. As per partnership deed interest in charged at 6% p.a. on drawings.

Calculate average due date and interest on drawings for 6 months.

8. From the following trial balance prepare a departmental trading and profit and loss a/c for the year ending 31-3-05

Trial balance as on 31-3-05

Debits	Rs.	Credits	Rs.
Stock (1-4-04) Dept A	7,000	Sales Dept A	26,000
B	5,000	B	13,000
Purchase Dept	A 10,000		
B	8,000		
Returns inward			
Dept A	400		
B	600		
Rent, rate and taxes	1,500		
Sundry expenses	1,200		
Salaries	1,500		
Carriage inwards	600		
Wages Dept			
A	2,000		
B	1,200		
	39,000		39,000

Closing stock on 31-3-05:

Dept A Rs. 3,000

B Rs. 6,000.

All indirect expenses are apportioned among the two departments in the ratio of 2:1.

9. What is self balancing system? What are its main advantages and disadvantages?
10. On 31-03-06 the godown of a business man was burnt to ashes. From the records of the business the following information could be gathered.

Year	Sales	Gross profit
	Rs.	Rs.
2003-2004	6,00,000	1,80,000
2004-2005	6,60,000	1,98,000
2005-2006	6,48,000	?

The opening stock on 1-4-05 was Rs. 1,65,000 and the purchases during the year amounted to Rs. 4,60,000.

You are required to find out the estimated value of stock on 31-3-06 and calculate the claim. Salvages was Rs. 11,400.

11. Selvan drew 3 bills on Murgan for Rs. 2,000, Rs. 3,000 and Rs. 4,000 payable after 2 month, 3 month and 4 month respectively. The first bill was endorsed to Raman. The second bill was discounted with the Banks for Rs. 2,940. The 3rd Bill was retained till the due date.

Assuming that all the 3 bills were honoured on the due dates, show journal entries in the books of both Selvan and Murugan.

12. What are the causes for depreciation? Why should we charge depreciation?
