

Reg. No.

S. No. 243 BATCH: 87 - 2015, 2018

END OF SEMESTER EXAMINATIONS, APRIL/MAY- 2019
PRINCIPLES OF ACCOUNTANCY
SUBJECT CODE: 18UAC002/ 18UACC02MAJOR : B.COM / B.COM (CA)
TIME : 3 HOURSSEMESTER : 1
MAX.MARKS: 76**SECTION - A (10 X 1 = 10)****Answer ALL Questions:**

1. Define Accounting.
2. What is Journal?
3. Why do you prepare trading account?
4. Define Balance Sheet.
5. What is capital expenditure?
6. What do you understand by reserves?
7. What is compensating errors?
8. What do you mean by bank reconciliation statement.
9. What is meant by depreciation?
10. Give a formula for computing the rate of depreciation.

SECTION - B (5 X 4 = 20)**Answer any FIVE Questions:**

11. Journalize the following transactions in the books of Balan:

2009	Rs.
Jan	
1 Balan commenced business with a capital of	1,00,000
3 Bought goods for cash	60,000
4 Sold goods for cash	50,000
5 Deposited in IOB	40,000
6 Bought goods from Ravi	30,000
7 Bought furniture for cash	4,000
18 Drew cash for personal use	6,000

12. From the following prepare trading and Profit and Loss Account for the period ending 31.12.2010.

	Rs.		Rs.
Purchases	20,000	Carriage outward	1,500
Sales	1,00,000	Discount received	2,000
Opening Stock	10,000	Interest Paid	3,000
Salaries	6,000	Rent Paid	6,000
Wages	2,000	Postage and Telegrams	700
Fuel	2,000	Printing and Stationery	200
Carriage inward	1,000	Bad debts	2,700

13. Write a note on Capital and Revenue receipts.

14. Rectify the following errors:

- i. Purchase book is carried forwarded Rs. 350 less
- ii. Sales book total is carried forwarded Rs. 500 more
- iii. A total of Rs. 758 in the purchase book has been carried forwarded to page 21 as Rs. 557.
- iv. The total of the sales book Rs. 755 on page 20 was carried forwarded to page 21 as Rs. 557
- v. Purchase returns book was carried forwarded as Rs. 5,120 instead of Rs. 1,520

15. A company purchased a plant for Rs. 50,000. The useful life of the plant is 10 years and the residual value is Rs. 10,000. Find out the rate of depreciation.

16. Enter the following transactions in the Purchase Book and Sales Book of Mr. Pandian.

		Rs.
2000		
Jan	Purchased goods from Balu	30,000
1		
2	Sold goods to Swamy	15,000
4	Bought goods from Gowri	13,500
12	Sold goods to Thenali	10,500
19	Sold goods to Jayaraman	750
21	Bought goods form Rajesh	9,000
30	Sold goods to Shanthi	900

17. What are various causes for depreciation?
 18. Distinguish between Reserve and Provisions.

SECTION - C (3 X 15 = 45)

Answer any THREE Questions:

19. Briefly explain the accounting concepts and conventions.
 20. From the following Trial Balance of Thiru. Rehman as on 31st March 1995, Prepare Trading and Profit and Loss Account and Balance Sheet taking into account the following adjustments:

Debit	Rs.	Credit	Rs.
Land and Building	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Stock 1-4-1994	5,760	Sundry Creditors	6,300
Sundry Debtors	14,500	Bills Payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at Bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel & Power	4,730		
Carriage on sales	3,200		
Carriage on Purchases	2,040		
Salaries	15,000		
General Expenses	3,000		
Insurance	600		
Drawings	5,245		
	<u>1,76,580</u>		<u>1,76,580</u>

Adjustments:

- Stock on 31-03-1995 was Rs. 6,800.
 - Salary outstanding Rs. 1,500.
 - Insurance Prepaid Rs. 150.
 - Depreciate machinery @ 10% and patents @ 20%.
 - Create a provision of 2% on debtors for bad debts.
21. Under what circumstances revenue expenditure treated as capital expenditure? Explain.
22. Prepare bank reconciliation statement from the following particulars as on 31.03.1998.

	Rs.
i. Credit balance as per cash book	4,000
ii. Cheque deposited but not collected	600
iii. Cheques received but not sent to bank	500
iv. Credit side of bank column cash short	50
v. Insurance premium debited twice in pass book	300
vi. Bank charges debited twice in pass book	10
vii. Cheque issued but not presented	400
viii. Bills directly collected by bank	200
ix. Bills dishonoured	300

23. A second hand machine was purchased on 01-01-90 for Rs. 30,000 and repair charges amounted to Rs. 6,000. It was installed at a cost of Rs. 4,000. On 1st July 1991, another machine was purchased for Rs. 26,000. On 1st July 1992 the first machine was sold for Rs. 30,000. On the same day, one more machine was bought for Rs. 25,000. On 31-12-92, the machine bought on 1st July 1991 was sold for Rs 28,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum. Prepare the machinery account for 3 years ending 31-12-92.