



END OF SEMESTER EXAMINATIONS, APRIL / MAY - 2017

PRINCIPLES OF ACCOUNTANCY

SUBJECT CODE : 16UACO02/16UACC02

MAJOR : B.COM / B.Com. CA

SEMESTER : I

TIME : 3 HOURS

MAX. MARKS: 75

SECTION A - (10 X 1 = 10)**Answer ALL the Questions:**

1. What is Personal Accounts?
2. What is Single entry system?
3. What is Closing Stock?
4. What is Operating Expenses?
5. What is Revenue Expenditure?
6. What is a Provision?
7. What is Errors of Principle?
8. What is Pass book?
9. What is Depreciation?
10. What is Diminishing balance method?

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

11. Journalise the following transactions.

			Rs.
2004 January	10	Ramu Commenced business with	1,00,000
	10	Buildings	40,000
	11	Opened a bank account with	5,000
	14	Goods purchased for cash	3,000
	20	Goods sold for cash	8,000
	24	Paid Rent	5,000
	26	Received commission	1,000
	28	Purchased Furniture	500
	30	Received cash from Anbu	200

12. From the following particulars prepare Trading A/c for the year ended 30th June 2004.

	Rs.
Stock on 01/07/2003	44,000
Sales	3,00,000
Purchases	2,20,000
Sales Return	4,000
Carriage inward	3,600
Wages	2,400
Purchase Return	1,000
Closing stock was valued	40,000

13. Differentiate between Reserves & Provisions?

14. On 31st March 1999 the Pass book of Mr. V. Shanmugam showed a credit balance Rs.9,250, A comparison of Pass book & Cash book revealed the following.

	Rs.
a. Cheques deposited but not yet cleared by 31 st March 1999	1,500
b. Cheques issued by Shanmugam but not presented for payment before 31 st March 1999	2,000
c. Insurance premium paid by the bank on behalf Shanmugam but not recorded in cash book	240
d. Bank commission not yet recorded in cash book	10
e. Interest on bonds collected by bank on behalf of Shanmugam not yet recorded in cash book	500

Prepare a Bank reconciliation statement as on 31st March 1999.

15. An asset is purchased for Rs. 10,000. Depreciation is to be provided annually according to the Straight line method. The useful life of the asset is 10 years & the Scrap value is Rs. 50,000. You are required to find out the Rate of depreciation.

16. Enter the following transactions in the proper Subsidiary Books.

			Rs.
2006 March	3	Bought goods from Rakshaa	5,000
	5	Purchased Machinery	2,000
	9	Sold goods to Vasantha	4,000
	15	Chandra Sold goods to us	3,000
	16	Received goods returned by vasantha	300
	17	Goods Returns by Vasantha	1,260
	18	Damaged goods returned to Chandra	300
	29	Returned goods to Rakshaa	550
	30	We Returned goods to Rakshaa	400

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17. Describe the causes for Depreciation?
 18. Explain the Errors of Principle with examples?

SECTION C – (3 X 15 = 45)

Answer any THREE Questions:

19. Journalise the following transactions and prepare Ledger Accounts.

2006 March	1	Dinesh stated business with Cash Rs. 4,000, Furniture Rs. 2,000, and Stock of goods Rs. 8,000.
	2	Purchased goods from Alex Rs. 5,000 at a trade discount of 10%.
	3	Sold goods to Binoy Rs. 6,000 at a trade discount of 5%.
	5	Sold goods for cash Rs. 9,000.
	7	Purchased goods for cash Rs. 6,000.
	9	Païd to Alex Rs. 2,000, discount allowed by him Rs. 200.
	17	Received from Binoy Rs. 4,000, allowed him a discount of Rs.300.
	25	Withdrew for personal use Rs. 300.
	26	Paid Rent Rs. 600.
	27	Sold goods to Christi Rs. 3,000
	31	Purchased goods from Dani Rs. 2,000.

20. Prepare Trading, Profit & Loss A/c and Balance sheet from the following Trial balance of Mr. M. Madan.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Sundry Debtors	92,000	Madan's Capital	70,000
Plant & Machinery	20,000	Purchases Returns	2,600
Interest	430	Sales	2,50,000
Rent, Rates, Taxes & Insurance	5,600	Sundry creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales Return	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Madan's Drawings	22,000		
Trade Expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture & Fixtures	10,000		
Cash in hand	2,060		
	4,02,600		4,02,600

Adjustments:

- Stock in hand on 31.12.96 Rs. 90,000.
 - Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and furniture & Fixtures at 10%.
 - Write off Rs. 800 as further bad debts.
 - Provide for doubtful debts at 5% on Sundry Debtors.
 - Outstanding Rent was Rs. 500 and Outstanding Wages Rs. 400.
 - Prepaid Insurance Rs. 300 and Prepaid Salaries Rs. 700.
21. Explain Capital expenditure and Revenue expenditure. With examples converting Revenue expenditure into Capital expenditure?
22. Describe the different types of Errors?
23. A Company, whose Accounting year is the calendar year, purchased on 1.1.1993 a machine for Rs. 40,000. It purchased further Machinery on 1st October 1993 for Rs. 20,000 and on 1 July 1994 for Rs. 10,000. On 1.7.95 $\frac{1}{4}$ th of the machinery installed on 1.1.93 become obsolete and was sold for Rs. 6,800.

Show how the machinery account would appear in the books of the company for all the 3 years under diminishing balance method. Depreciation is to be provided at 10% p.a.
