

Reg.No.

S.No. 245

BATCH: 2015, 2017, 2018

END OF SEMESTER EXAMINATIONS, APRIL / MAY - 2019

FUNDAMENTALS OF ACCOUNTING - I

SUBJECT CODE: 18UAPA02 / MUAPA02

MAJOR : B.COM (PA)
TIME : 3 HOURSSEMESTER : I
MAX.MARKS: 75SECTION - A (10 X 1 = 10)Answer ALL Questions:

1. Define Accounting.
2. What is Double Entry System?
3. When do you prepare a Manufacturing Account?
4. What do you understand by Final Accounts?
5. What is Suspense Account?
6. What is Errors of Posting?
7. What do you understand by Pass Book?
8. What is Cash Book?
9. Define Depreciation.
10. What is Obsolescence?

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

11. Explain the bases of Accounting.
12. Prepare trading account of a trader for the year ending 31st December 1996 from the following data:

	Rs.
Opening Stock (01-01-96)	50,000
Goods purchased during 1996	2,80,000
Freight and packing on the above	20,000
Sales	3,80,000
Packing expenses on sales for distribution	12,000

13. What are the difference between Reserve and Provisions?
14. Rectify the following errors:
 - (i) Purchases from Akila for Rs. 1,500 has been posted to the debit side of her account.
 - (ii) Sales to Vijay for Rs. 1,520 has been posted to his credit as Rs. 1,250
 - (iii) Purchases from Chandra for Rs. 750 has been omitted to be posted to the personal A/c.
 - (iv) Sales to Kandan for Rs. 780 has been posted to his account as Rs. 870.

15. Prepare Bank Reconciliation Statement:

	Rs.
Balance as per pass book (Cr.) (31-12-91)	9,000
Cheques issued but note presented	15,000
Cheques deposited but not credited	1,500
Bank has given credit for interest	150

16. A company whose accounting year is the calendar year purchased on 1st April 1986 machinery costing Rs. 30,000. It purchased further machinery on 1st October 1986 costing Rs. 20,000 and on 1st July 1987 costing Rs.10,000. On 1st January 1988 one third of the machinery installed on 1st April 1986 became obsolete and was sold for Rs. 3,000. Show how the machinery A/c would appear in the books of the company Machinery is depreciated at 10% p.a. under fixed installed method.

17. Prepare Trial Balance from the following.

	Rs.		Rs.
Capital	9,000	Renting Outstanding	1,000
Plant and Machinery	12,000	Opening Stock	2,000
Purchases	8,000	Sales Returns	4,000
Sales	12,000	Investment	14,000
Sundry Creditors	8,000	Debtors	12,000
Bank Loan	22,000		

18. Explain the methods of preparing B.R.S

SECTION - C (3 X 15 = 45)

Answer any THREE Questions:

19. Briefly explain the various accounting concepts.
 20. Prepare Trading and Profit and Loss Account and Balance Sheet for the year ended 31.03-1999.

	Rs.
Capital	80,000
Drawings	6,000
Opening Stock (01-04-98)	45,000
Purchases	2,50,000
Sales	3,10,000
Furniture	10,000
Debtors	40,000
Freight	4,800
Trade Expenses	500
Salary	5,500
Rent	2,400
Advertisement	5,000
Insurance Premium	400
Commission Earned	1,300
Discount allowed	200
Bad debt	1,800
Provision for bad debts	900
Creditors	20,000
Cash	5,200
Bank	5,800
Goodwill (at cost)	20,000

Adjustments:

- Closing stock Rs. 53,000.
 - Salaries have been paid for 11 month only.
 - Prepaid insurance Premium Rs. 100.
 - Commission earned but not received Rs. 122.
 - Create 3% provision for bad debts in debtors.
 - Depreciation on furniture at 10% is to be charged.
 - 1/4th of advertisement is to be written off.
21. Explain the difference between capital Expenditure and Revenue Expenditure.
22. On March 31 1995, the cash book of prabhu showed a bank balanced of Rs. 4,850. While verifying with the pass book the following facts were noted:
- Cheques sent the collection before March 31 1995, and not credited by the bank amounted in all to Rs. 845.
 - Cheque issued before March 31 1995, but not presented for payment amounted to Rs. 885.
 - The banker has charged a sum of Rs. 100 towards incidental charges and credited interest Rs. 250.
 - The banker has given a wrong credit Rs. 250.
 - Mr. Nathan has paid into bank directly a sum of Rs. 300, on March 28 1995, which has not been entered in the cash book.
 - A cheque for Rs. 200 sent for collection and returned unpaid has not been entered in the cash book.
- Prepare a bank reconciliation statement.
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. 23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum. Prepare the machinery A/c for 3 years ending 31-12-92.

