

**END OF SEMESTER EXAMINATIONS, NOVEMBER - 2017**  
**FUNDAMENTALS OF ACCOUNTING - I**  
**SUBJECT CODE: 17UAPA02**

MAJOR: B.Com. (PA)  
 TIME : 3 HOURS

SEMESTER : I  
 MAX. MARKS: 75

**SECTION – A (10 X 1 = 10)**

**Answer ALL the Questions:**

1. What is Nominal Account?
2. What is Trade Discount?
3. What is gross profit?
4. What is Balance Sheet?
5. Give the meaning of Revenue Expenditure.
6. What do you mean by Provisions?
7. What is BRS?
8. Define Pass Book.
9. Give any two methods of depreciation.
10. Bring out any two advantages of Fixed Installment Method.

**SECTION – B (5 X 4 = 20)**

**Answer Any FIVE Questions:**

11. Prepare a Purchase book from the following transactions of Shobharam, a general merchant.

2007 Jan 1	Purchased from Ram Prasad 3doz. Wilson pens @ Rs.15 per pen 2 gross parker ink bottles @ Rs.15 per dozen Subject to 10% trade discount
Jan 10	Bought from Banwari Lal 50 reams of ruled paper @ Rs.11 per ream and paid cash
Jan 15	Purchased from Din Dayal 6 doz. Packets Parle Gluco biscuits @ Rs.2.50 per packet
Jan 20	Bought from Bholanath Furniture House on credit 6 Godrej Chairs @ Rs.80 per chair and 2 Office tables @ Rs.500 per table for office use.

12. Prepare Trial balance from the following:

	Rs.		Rs.
Capital	9,000	Plant & machinery	12,000
Purchases	8,000	Sales	12,000
Sundry creditors	8,000	Bank Loan	22,000
Debtors	12,000	Opening stock	2,000
Sales Returns	4,000	Investments	14,000
Rent Outstanding	1,000		

13. The sundry debtors on 31<sup>st</sup> Dec 2005 are Rs.40,000. On analysis it is found that debtors for Rs.36,000 are good. The debtors for Rs.3,000 are doubtful and are estimated to realize 2/3rds of the amount and the debtors for Rs.1,000 are bad. Make a provision for doubtful debts. Show the Journal, Profit & Loss A/c and Balance Sheet.

14. Prepare trading and profit and loss account from the information given below:

	Rs.		Rs.
Opening Stock	3,600	Rent (Factory)	400
Purchases	18,260	Rent (Office)	500
Wages	3,620	Sales Returns	700
Closing Stock	4,420	Purchase Returns	900
Sales	32,000	General Expenses	900
Carriage on Purchases	500	Discount	360
Carriage on Sales	400	Interest from bank	200

15. Distinguish between Capital Expenditure and Revenue Expenditure.
16. What is Secret Reserve? Explain any two advantages.
17. Bring out the advantages of Bank Reconciliation Statement.
18. A company purchased a plant for Rs.50,000. The useful life of the plant is 10 years and residual value is Rs.10,000. Find out the rate of depreciation under straight line method.

**SECTION – C (3 X 15 = 45)**

**Answer Any THREE Questions:**

19. Journalize the following transactions and post them to ledger and extract the trial balance:

- 2012 April 1. Started business with a Capital of Rs.5,000
2. Purchased goods from Guru for Rs.1,500
3. Paid to Guru in full settlement in Cash Rs.1,450
4. Sold Goods to Kamal for Rs.500
5. Received Cash from Kamal Rs.450 in full settlement
6. Paid salary Rs.300
7. Purchased furniture for Rs.1,000
8. Goods sold for Rs.1,300
9. Received interest Rs.50
10. Deposited Cash into bank Rs.1,000

20. The following are balances extracted from the books of Mrs. Nandhini as on 31.03.2002. Prepare Trading and Profit and Loss account for the year ending 31.03.2002 and Balance sheet as on that date.

Debit Balances	Rs.	Credit Balances	Rs.
Drawings	40,000	Capital	2,00,000
Cash in hand	17,000	Sales	1,60,000
Cash at bank	65,000	Sundry Creditors	45,000
Wages	10,000		
Purchases	20,000		
Stock (1.4.2001)	60,000		
Buildings	1,00,000		
Sundry Debtors	44,000		
Bills Receivable	29,000		
Rent	4,500		
Commission	2,500		
General Expenses	8,000		
Furniture	5,000		
	4,05,000		4,05,000

**Adjustments:**

Closing Stock Rs.40,000, Interest on Capital at 6% to be provided, Interest on Drawings at 5% to be provided, Wages yet to be paid Rs.1,000, Rent prepaid Rs.900.

21. Explain the basic principle for rectification of errors.
22. The bank overdraft of Rajini on 31.12.2013 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement.

	Rs.
a) Unpresented cheque	3,000
b) Uncleared cheque	1,700
c) Bank interest debited in the pass book only	500
d) Bill collected and credited in the pass book only	800
e) Cheque of Mohan dishonoured	500
f) Cheque issued to Sekar entered in the cash column of cash book	300

23. Define Depreciation. Explain different methods of depreciation.

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