

The consignee sent a sight draft for the balance. Prepare important ledger accounts in the books of both the parties.

14. A machine purchased on 1<sup>st</sup> July 1983 at a cost of Rs. 14,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31<sup>st</sup> December each year. The machine was sold for Rs. 9,500 on 31<sup>st</sup> March 1986. Show the machinery account for all the year.

**BCOM 1003/BBA 1003**

U. G. DEGREE EXAMINATION, JUNE 2015.

First Year/Non – Semester

Commerce/Business Administration

**PRINCIPLES OF FINANCIAL ACCOUNTING**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Explain the objectives of Accounting.
2. Briefly explain the Business Entity Concepts.
3. Give Journal entries for the following transactions:  
2001 June 1 Kumar Started business with cash Rs.10,000
- 2 Paid Salary for the Staff Rs. 500
- 5 Sold goods to Krishna for Cash Rs.5,000
- 15 Purchases from Ganesan Rs.2,500

4. From the following information, prepare Trading Account for the year ending 31.3.2014.

	Rs.	Rs.
Purchases	1,00,000	Sales 2,00,000
Opening stock	40,000	Carriage inwards 3,000
Sales returns	5,000	Purchases returns 2,000
Closing stock	50,000	Wages 10,000

5. From the given particulars prepare Income and Expenditure A/c for the year 2014.

	Rs.	Rs.
Receipts		Payments
To Balance :		By salaries 2,000
Cash	1,000	By insurance 1,000
Bank	3,000	By purchase Building 2,000
To subscription	10,000	By Balance :
To interest	1,000	Cash 3,000
		Bank 7,000

2 BCOM 1003/BBA 1003

	Rs.	Rs.
Cash sales	75,000	Discount allowed 600
Credit sales Cash collected from debtors	93,000	Expenses at the branch 16,200
	91,200	Bad debts 600

13. Jain of Delhi consigned 300 tins of coconut oil to Narayanan of Chandigarh, invoiced at Rs.200 per tin. Jain paid Rs. 2000 as carriage and other expenses. The consignor drew a bill of exchange for Rs.16,000 which was later discounted at Rs. 15,700. The consignee rendered account sales showing the following details:

280 tins sold at Rs.250 per tin
20 tins sold at Rs. 260 per tin
Storage and selling expenses Rs.5,000
Clearing and cartage Rs.1 ,600
Commission at 6% on sales

7 BCOM 1003/BBA 1003

On 31st March, 2015 the following was the State of Affairs: Cash in Hand Rs.400 cash at bank, Rs.15,800 Sundry Creditors, Rs.9,200 Stock, Rs.66,700 Debtors, Rs.30,300 Bills Payable, Rs.6,600 Bills Receivable, Rs.8,800. Plant and Machinery and furniture and fixtures are to be depreciated by 10%.

Ascertain the profit for the year ended 31st March, 2015, and draw up the Statement of Affairs as on that date, showing the accounts of the partners in detail, assuming Ganapathi withdrew Rs. 10,000 and Das withdrew Rs.8,000 during the year.

12. A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars prepare the necessary accounts on the stock & debtors system to show the profit or loss at the branch.

	Rs.		Rs.
Stock on 1.1.2009 (invoice price)	27,900	Goods returned by debtors	3,600
Goods sent to the branch(invoice price)	1,53,000	Goods returned to H.O by branch	4,500
Debtors on 1.1.2009	20,400	Shortage of stock	1,350

6 BCOM 1003/BBA 1003

6. 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 under straight-line method.

7. Calculate profit or loss for the year 2014

Opening Capital Rs.60,000

Drawings Rs.5,000

Capital added during the year Rs. 10,000

Closing Capital Rs.90,000

8. A and B are partners sharing profits in 3:2 Ratio.

C is admitted for 1/5 share which he acquires equally from both A and B. Find out the new Ratio of partners.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. From the following trial balance as on 31.03.2014, prepare Trading and Profit and Loss Account and the Balance Sheet as on that date.

Debit Balances	Rs.	Credit Balances	Rs.
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000

3 BCOM 1003/BBA 1003

Debit Balances	Rs.	Credit Balances	Rs.
Trade expenses	600		
Purchases	25,000		
Advances	2,500		
Bank balance	5,600		
	<u>81,500</u>		<u>81,500</u>

Adjustments:

- The Closing Stock was Rs. 9,000
- Outstanding Salary Rs.500
- Rent prepaid Rs.200
- Calculate 5% interest on Capital.

10. Rama and Krishna were in partnership. Their balance sheet as on 31<sup>st</sup> March, 1991 Showed the following state of affairs:

Liabilities	Rs.	Assets	Rs.
Creditors	50,000	Cash	15,000
Rama-Capital	35,000	Debtors	47,000
	3,000	Stock	23,000
Drawing Krishna - Capital	27,500	Furniture	500
		Property Krishna-	20,000
		Drawings	10,000
	<u>1,15,500</u>		<u>1,15,500</u>

4 BCOM 1003/BBA 1003

The partners shared profits and losses in proportion of Rama 9/16 and Krishna 7/16. It was decided to dissolve the partnership as on the date of the balance sheet. Property realized Rs. 15,000, bad debts and discounts amounted to Rs.5,000. Stock realized Rs.25,000. Furniture was taken over by Krishna at mutually agreed price of Rs.250. Creditors allowed Rs.1050 as discount. Prepare important Ledger A/c's

11. Mr.G.Ganapathi and Mr.D.Das are Equal partners in a business in which the books are kept by Single Entry. Their position on 1<sup>st</sup> April 2014 was as under:

	Rs.	Rs.	
Bills Payable	6,200	Cash in hand	270
Sundry Creditors	20,000	Cash at bank	13,880
Capital		Bills Receivables	4,600
Accounts:		Sundry Debtors	33,800
G.Ganapathi		Stock	48,650
80,000	1,60,000	Plant and Machinery	80,000
D.Das		Furniture and Fixtures	5,000
80,000			
	<u>1,86,200</u>		<u>1,86,200</u>

5 BCOM 1003/BBA 1003