

D 70095

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS—UG)

B.Com.

BCM 5D 03—BASIC ACCOUNTING

(2014 Admissions)

Time : Two Hours

Maximum : 40 Marks

Part A

*Answer all questions.
Each question carries 1 mark*

Choose the Correct Answer :

1. Furniture for a cloth dealer is a :
 - (a) Fixed asset.
 - (b) Current asset.
 - (c) Intangible asset.
 - (d) Wasting asset
2. Sales made for cash to Mahesh is debited to :
 - (a) Mahesh account.
 - (b) Cash account.
 - (c) Sales account.
 - (d) Debtors account.
3. Determination of expenses for an accounting period is based on :
 - (a) Objectivity.
 - (b) Materiality.
 - (c) Matching.
 - (d) Periodicity.
4. A sale of Rs. 100 to Ram wrongly recorded in purchase book will affect :
 - (a) Sales Account and Purchase Account.
 - (b) Sales Account and Ram's Account.
 - (c) Purchase Account and Ram's Account.
 - (d) Sales Account, Purchase Account and Ram's Account.

(4 × 1 = 4)

Part B (Short Answer Question)

*Answer any five questions.
Each question carries 2 marks.*

5. Define Accounting.
6. What is meant by Business Entity Concept in accounting ?

Turn over

7. Prepare a Trading Account and compute Gross Profit using the details below: Purchases Rs. 10,000, a purchase return Rs. 2,000, sales Rs. 20,000, sales returns Rs. 5,000, Wages Rs. 4,000, and carriage charges Rs. 2,000, stock on 1.4. 2016 Rs. 4,000, stock on 31.3. 2017 Rs. 6,000.

8. The following balances were extracted from a Trial Balance:

	Rs.
Sundry debtors	... 50,000
Bad debts	... 3,000
Discount	... 2,000

Additions information :

Create a provision for doubtful debts @10% on debtors.

Create a provision for discount on debtors @ 5 %.

Additional discount given to debtors Rs. 1,000.

Pass the necessary adjusting entries to effect the above.

9. What is a contra entry.
10. What is meant by contingent liability ?
11. List *four* users of accounting information.

(5 × 2 = 10 marks)

Part C (Short Answer Question)

Answer any *four* questions.

Each question carries 4 marks.

12. Record the transactions in the cash book and post them to ledger accounts

January 01	Cash balance	Rs. 5,000
" 06	Sold goods to Mahesh	Rs. 4,000
" 08	Purchased goods from Mukesh	Rs. 3,000
" 15	Cash received from Mukesh—Rs. 3,900 in full satisfaction	
" 20	Paid to Mukesh—Rs. 2,830 in full satisfaction	
" 25	Sold goods to Suresh—Rs. 3,000	
" 31	Received cash from Suresh—Rs. 2,900 in full satisfaction.	

13. Record the following transactions in purchase journal and post them to ledgers 2017 :

January 1 Purchased from Ram & Co. on Credit :

30 Heater rods @ Rs. 10 .

20 philips bulbs @ Rs. 20.

January 04 Purchased from Shyam & Co. on Credit.

40 Heater rods @ Rs. 10.

20 E C E bulbs @ Rs. 15.

January 08 *purchased from bajaj & Co.*
 20 electrical elements @ Rs. 40.
 3 electrical boxes @ Rs. 100.

January 24 *purchased from KC & Co.*
 30 electrical sockets @ Rs. 20.
 40 electrical switches @ Rs. 200.

14. What is meant by accounting conventions ?
15. Enter the following transactions in a petty cash book maintained under imprest system for the month of January 2017 :

January 01 Cash Received from Chief Cashier—Rs. 200.
 " 03 Typing Paper—Rs. 8, Postage—Rs. 4.
 " 06 Office Cleaning—Rs. 4.
 " 08 Postage—Rs. 2.
 " 10 Cartage—Rs. 2.
 " 15 Postage—Rs. 6.
 " 18 Ink Rs. 3, Type Paper—Rs. 10.
 " 20 Typewriter Ribbon—Rs. 10.
 " 22 Telephone Charges—Rs. 7.
 " 24 Office Cleaning—Rs. 2.
 " 25 Nail Polish—Rs. 27.
 " 27 Telegrams—Rs. 25.
 " 29 Typing Paper—Rs. 30.

16. In taking a trial balance, a book keeper finds that debit total exceeds credit total by Rs. 352. The amount is placed to the credit of a newly opened suspense account. Subsequently the following mistakes were discovered. Pass necessary entries for rectifying mistakes ;

- a. Sales day book was over cast by Rs. 100.
- b. A sale of Rs. 30 to Sriram was wrongly debited to Sreekrishna.
- c. General expense of Rs. 18 was posted as Rs. 80.
- d. Cash received from Srigobind was debited to his account Rs. 150.
- e. While carrying forward the total of one page of the purchase book to the next, the amount of Rs. 1,235 was entered as 1,325.

(4 × 4 = 16)

Part D (Essay Question)

Answer any one question.

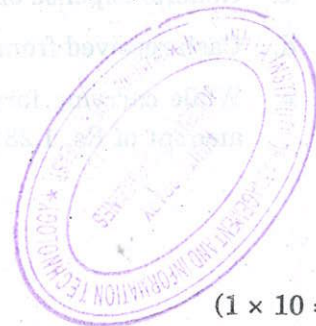
The question carries 10 marks.

17. Following particulars extracted from the books of Mr. ANAND on 31st March 2017. You are required to prepare Trading Profit and Loss Account and a Balance sheet after making necessary adjustments :

<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
	Rs.		Rs.
Capital	... 2,28,000	Stock on 01.04.2016	... 38,500
Drawing	... 13,200	Wages	... 35,200
Plant and machinery	... 99,000	Sundry creditors	... 44,000
Free hold property	... 66,000	Postage and telegram	... 1,540
Purchase	... 1,10,000	Insurance	... 1,760
Returns outwards	... 1,100	Gas and fuel	... 2,970
Salaries	... 13,200	Office rent	... 2,860
Office expenses	... 2,750	Freight	... 99,000
Office furniture	... 5,500	Loose tools	... 2,200
Discount account (Dr.)	... 1,320	Factory lighting	... 1,100
Sundry debtors	... 29,260	Provision for bad debts	... 880
Loan to Sree Krishna	... 44,000	Interest on loan to	... 1,100
@ 10 %		Srikrishna	
p. a. - balance on			
01.04.2016			
Cash at bank	... 29,260	Cash in hand	... 2,640
Bill payable	... 5,500	Sales	... 2,31,44

Adjustments required :

- (I) Closing stock—Rs. 72,600.
 - (II) A new machine installed during the year costing—Rs. 15,400 but it was not recorded in the books as any payment was made for it. Wages Rs. 1,100 paid for it have been debited to wages account.
 - (III) Depreciate plant and machinery by $33 \frac{1}{3}$ %, furniture by 10 %, free hold property by 5 %.
 - (IV) Loose tools were valued at—Rs. 1,760 On 31.03.2010.
 - (V) Of the sundry debtors—Rs. 600 is bad and should be written off.
 - (VI) Maintain a provision of 5 % on sundry debtors for doubtful debts.
 - (VII) The manager is entitled to a commission of 10 % of net profit after charging such commission.
18. Journalize the following transactions, post them to ledger accounts and prepare a Trial Balance on 31st January 2017.
- (I) Ram started business with capital—Rs. 10,000.
 - (II) Purchased goods on credit from Mohan—Rs. 2,000.
 - (III) Paid cash to Mohan—Rs. 1,000.
 - (IV) Sold goods to Suresh—Rs. 2,000.
 - (V) Received cash from Suresh—Rs. 3,000.
 - (VI) Further purchased from Mohan—Rs. 2,000.
 - (VII) Paid cash to Mohan—Rs. 1,000.
 - (VIII) Further Sold goods to Suresh—Rs. 2,000.
 - (IX) Received cash from Suresh—Rs. 1,000.



(1 × 10 = 10)