

K16U 1903

Reg. No. :

Name :

V Semester B.A./B.Sc./B.Com./B.B.A./B.B.A.T.T.M./B.B.A.R.T.M./B.B.M./ B.T.T.M./B.C.A./B.S.W./ B.A. Afsal UI Ulama Degree (CBCSS – 2014 Admn. – Regular) Examination, November 2016 (Open Course) 5D01 COM: 1 : BASIC ACCOUNTING

Time : 2 Hours

Max. Marks: 40

PART - A

This Part consists of **four** questions carrying ½ marks **each**. Answer **all** questions in **one** word.

- 1. Name the branch of commerce, in which keeps a record of monetary transactions in a set of books.
- Journal is book of _____

3. Which of the following is not recorded in Cash book?

- a) Trade discount b) Bad debts
- c) Credit purchases d) All of the above
- 4. Name two errors which cannot be disclosed by preparing a Trial Balance. $(\frac{1}{2} \times 4 = 2)$

PART - B

Answer any four questions in one or two sentences each. Each question carries one mark each.

- 5. What are Financial statements?
- 6. What journal entry will be passed for prepaid insurance?
- 7. Give any two objectives of accounting .
- 8. What is opening entry?
- 9. On 1st May 2015, Cash book bank overdraft balance was Rs. 2,000 on depositing Rs. 10,000 into bank and giving a cheque of Rs. 7,200 for rent. What will be the balance ?
- 10. Why is the ledger called the book of Final entry ?

(1×4 = 4) P.T.O.

PART – C

Answer **any six** questions. Answer should **not** exceed **one** page **each**. **Each** question carries **three** marks **each**.

11. Distinguish between Trail Balance and Balance Sheet.

12. Enter the following transaction in the Journal of Raman :

2015

- May 10 Sold goods to Kailash of the list price of Rs. 1,00,000 at trade discount of 15%.
- May 13 Kailash returned goods of the list price of Rs. 4,000/-
- May 18 Received from Kailash the amount due from him under a cash discount of 5%.
- 13. Prepare Sales Return Book in the Books of Ram Lal & Co. from the following. transactions :

2015 April 6 Goods returned by Ganga Parshat & Co. : 2 Table Fans @ Rs. 600 each

Less : Trade discount 15% .

April 12 Shyam Oil Mills returned defective goods valued Rs. 4,000.

April 18 Allowance allowed to Sanjay & Co. on account of mistake in the invoice Rs. 250.

14. Calculate Gross Profit when

Total purchases during the year are Rs. 8,00,000

Return outward Rs. 20,000

Direct expenses Rs.60,000

 $\frac{2}{2}$ of the goods are sold for Rs. 6,10,000.

15. Explain the characteristics of a Balance Sheet.

16. Briefly explain different types of Cash book.

17. Calculate gross profit and Net profit on the basis of the following balances extracted from the books of M/S Raju & Sons for the year ended March 31, 2015.

	Rs.	4	Rs.
Opening stock	50,000	Net Sales	11,00,000
Net purchases	6,00,000	Direct expenses	60,000
Administration expenses	45,000	Loss due to Fire	20,000
Selling and distribution expenses	65,000	Closing stock	70,000

18. Rectify the following Journal Entries assuming that the narration is correct :

			Rs.	Rs.	
1)	Cash A/c	Dr.	1,500		
	To Vikas			1,500	
	(Interest received from Vikas)				
2)	Mohan	Dr.	5,000		
	To Salary A/c			5,000	-
	(Salary paid to Mohan)				
3)	Furniture A/c	Dr.	12,000		
	To Cash			12,000	
	(Sofa-set purchased for the Proprietors)				
4)	Purchase return A/c	Dr.	2,000		
	ТоХ			2,000	
	(Goods returned to X)				
5)	Insurance premium A/c	Dr.	12,000		
	To Cash			12,000	
	(Insurance premium paid for next year)				
6)	Purchases A/c	Dr.	8,000		
	To Cash			8,000	
	(Furniture purchased for cash)				(3×6 = 18)

PART - D

Answer any two questions. Answers should not exceed four pages each. Each question carries eight marks each.

19. Discuss role and limitations of Accounting.

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20. The following is the Trial Balance of a trader as on 31st December, 2015.

	Dr. (Rs.)	Cr. (Rs.)	
Sales		1,20,000	
Purchases	85,000		
Import duty	5,000		
Factory expenses	3,000		
Office expenses	6,000		
Sundry debtors	30,000		
Commission		1,500	
Bad debts	2,500		
Sundry creditors		28,500	
10% Investments	20,000		
Interest on Investments		1,500	
Opening stock	15,000		
General expenses	3,000		
Cash in hand	2,000		
Machinery	40,000		
Capital		60,000	
Anna a series	2,11,500	2,11,500	

Adjustments :

- 1) Closing stock is valued at Rs. 21,500
- 2) Provide 5% of debtors for bad debts.
- 3) Interest on investments for 3 months is outstanding.
- 4) Commission received in advance amounts to Rs. 300.

Prepare Trading and Profit and Loss Account and also a Balance Sheet as on 31st Dec. 2015.

- 21. a) What is compound Journal Entries?
 - b) Enter the following transactions in the Journal of Hari.
 - 2015 April 1 Purchased goods from Vinod of the list price of Rs. 40,000 at 10% trade discount.
 - April 2 Returned to Vinod of the list price of Rs. 1,000
 - April 6 Paid cash to Vinod Rs. 34,000 in full settlement of his account.
 - c) What do you understand by trade discount?

 $(2 \times 8 = 16)$