

D 90896

(Pages : 6)

Name.....

78

Reg. No.....

**FIFTH SEMESTER B.A./B.Sc./B.Com. DEGREE EXAMINATION  
NOVEMBER 2015**

(U.G.—CCSS)

Open Course

BC 5D 03—BASIC ACCOUNTING

(2010 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*This part consist of three bunches of questions carrying equal weightage.*

*Each bunch has four questions*

*Answer all twelve questions*

A. Fill in the blanks.

- 1 Cash or valuable owned by business is \_\_\_\_\_.
- 2 Assets = Capital + \_\_\_\_\_.
- 3 The process of transferring entries from journal to ledger is called \_\_\_\_\_.
- 4 Gross profit is the difference between \_\_\_\_\_ and cost of goods sold.

B. Choose the *correct* answer from brackets.

- 5 Balance sheet is a \_\_\_\_\_.  
(a) Account. (b) Statement.  
(c) Ledger. (d) None of the above.
- 6 Purchase of machinery debited to purchases account is an error of \_\_\_\_\_.  
(a) Commission. (b) Omission.  
(c) Principle. (d) None of the above.
- 7 A bank reconciliation statement is prepared by \_\_\_\_\_.  
(a) Banker. (b) Customer.  
(c) Debtor. (d) None of the above.
- 8 A business unit is assured to have an indefinite life comes under \_\_\_\_\_.  
(a) Business entity concept. (b) Going concern concept.  
(c) Accounting period concept. (d) None of the above.

Turn over

C. Answer in *one word*.

- 9 The goods available with the business for sale on a particular date is termed as :
- 10 The investments made by the owners in the business.
- 11 Name the principal or main book of an accounting system.
- 12 The statement prepared to test the arithmetical accuracy.

(12 × ¼ = 3 weight)

**Part B**

*Answer all nine questions in one or two sentences each.  
Each questions carry a weightage of 1.*

Give journal entries.

- 13 Paid salary Rs. 600, Rent Rs. 300 and lighting Rs. 40.
- 14 Withdrew from bank for domestic purpose Rs. 200.
- 15 Sold goods on credit to Sam Rs. 4000.
- 16 Started business with cash 7,000, stock Rs. 6,000 and furniture Rs. 5,000.
- 17 Goods returned by John Rs. 300.
- 18 Goods returned to Renjit Rs. 7,000.
- 19 Paid to Alex Rs. 2000, discount allowed by him Rs. 200.
- 20 Received commission. Rs. 500
- 21 Personal drawings in cash Rs. 600 and from bank Rs. 700.

(9 × 1 = 9 weight)

**Part C**

*Answer any five questions not exceeding one page each.  
Each questions carry a weightage of 2.*

- 22 Explain the objectives of accounting.
- 23 Explain the various accounting concepts.
- 24 Briefly explain the various types of errors.
- 25 Explain : (a) Bank Reconciliation Statement ; (b) Balance Sheet ; and (c) Trial Balance
- 26 Record the following transactions in the Purchase journal of Saaj Agencies :

2003	
January 1	Purchased from Sreeman Electricals : 30 Philips tube lights @ Rs. 100. 10 Khaitan ceiling Fans @ Rs. 800.
4	Purchased from Ismail and sons 20 Immersion heaters @ Rs. 21 5 Electric irons @ Rs. 240.

2003	
January 15	Purchased from Quilon Radio Services. 10 table fans @ Rs. 1200 20 Electric kettles @ Rs. 90 Less trade discount @ 10 %.
27	Purchased from K.C and Co. On credit 20 Electric heaters @ Rs. 400 10 Electric stoves @ Rs. 120
30	Purchased from Bajaj Agency 50 Tube lights @ Rs. 140 Less trade discount @ 5 %

27 Rectify the following errors by giving correcting entries.

- 1 Credit purchase of goods for Rs. 850 from Chand and Sons has not been recorded in the day book.
- 2 Rent paid to landlord is debited in landlord's account Rs. 600.
- 3 Purchase of machinery from Precision Machines Ltd. For Rs. 28,000 is recorded in Purchases Day Book.
- 4 Carriage paid on purchase of furniture Rs. 300 is debited in carriage account.

28 Give journal entries and ledger accounts of Mr. Rajan in respect of the transactions given below:

2011	
March 1	Started business with Rs. 50,000.
3	Purchased goods for Rs. 12,000.
4	Purchased goods on credit from Gomas Rs. 8,000.
8	Sold goods to Arun Rs. 6,000.
12	Paid to Gomas Rs. 5,000.
15	Received from Arun Rs. 4,000
18	Sold goods for Rs. 9,000

(5 × 2 = 10 weightage )

Turn over

## Part D

Answer any two questions.  
Each questions carry a weightage of 4.

29 On March 31, 2002, the cash book of a trader showed a deposit balance of Rs. 6,000 comparing the cash book with the pass book, the following differences were observed.

- 1 Direct payment by a customer to the bank recorded only in the pass book Rs. 1,500
- 2 Interest on deposit credited in the pass book Rs. 450.
- 3 Insurance premium paid by bank not recorded in the cash book Rs. 300.
- 4 Cheque paid into bank for collection but not collected till March 31, 2002 Rs. 800.
- 5 Cheque issued but not presented for payment till 31<sup>st</sup> March, 2002, Rs. 1,400.

Prepare a Bank Reconciliation statement as on 31<sup>st</sup> march, 2002.

30 Enter the following transactions in the Double Column Cash Book of Renjith.

2003		Rs.	
March	1	Opening balance	
		Cash in hand	300
		Cash at bank	3,200
	2	Sold goods for cash	4,000
	4	Purchased goods for cash	3,000
	6	Deposited cash into bank	800
	8	Withdrew cash from bank	1,400
	12	Purchased stationery	300
	15	Paid to Sanjay by cheque	4,600
	18	Rent paid by cheque	900
	21	Received cheque from Suraj	2,000
	22	The cheque from Suraj paid into bank	2,000
	25	Drew cash for domestic purpose	400
	28	Withdrew from bank for personal purpose	800
	30	Salaries paid by cheque	1,200
	31	Cash sales	4,100
		Paid into bank	4,000
		Interest on deposit credited by bank	300

31 The following is the trial balance of Kumar Mohan as on 31<sup>st</sup> December 2003.

	Dr. (Rs.)	Cr. (Rs)
Plant and machinery	45,000	
Freehold Premises	55,000	
Stock on 1 <sup>st</sup> January 2003 -	36,500	
Salaries	7,600	
Purchases	65,000	
Sales		1,21,000
Furniture and fittings	6,000	
Carriage inwards	1,675	
Carriage outwards	1,315	
Sales returns	2,400	
Purchases returns		1,365
Discount received		635
Discount allowed	430	
Wages	16,100	
Sundry debtors	41,000	
Sundry creditors		28,800
Kumar Mohan's Capital		1,10,000
Rent, rates and taxes	1,430	
Advertisement	2,400	
Cash in hand	450	
Cash at bank	2,500	
Drawings	3,000	
Loan from Rajesh		26,000
	<u>2,87,800</u>	<u>2,87,800</u>

Turn ov

08  
The stock on 31<sup>st</sup> December, 2003 was valued at Rs. 30,000. Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December, 2003 and Balance sheet as on that date.

(2 × 4 = 8 weight)

Date	Particulars	Rs.
March 1	Opening balance	100,000
	By Sales	300,000
	To Balance Brought Forward	100,000
	To Purchases	150,000
	To Wages	10,000
	To Rent	5,000
	To Advertising	5,000
	To Cash drawn for personal purposes	10,000
	To Balance carried forward	30,000
	<b>Total</b>	<b>500,000</b>
	Profit	25,000
	Loss	0