

31. Mr. Atmaram carries on retail business and his trial balance as on March 31st 2017 was as follows:

Trial Balance

Particulars	Debit	Credit
Purchases	5,65,625	
Sales		7,06,650
Return Inward	4,250	
Return Outwards		3,120
Provision for doubtful debts		5,200
Sundry debtors	38,200	
Sundry Creditors		25,526
Bills Payable (Promisory notes to be paid)		8,950
Stock (in the beginning of the year)	56,400	
Wages	20,137	
Salaries	18,575	
Furniture	15,075	
Postage, Stationery, Insurance etc.	13,226	
Heating and lighting	2,350	
Trade expenses	10,314	
Rents, Rates and Taxes	13,517	
Bad debts	525	
Loan @15% to D. Pathaan, 1 st December 2016	3,000	
Investments @cost	11,500	
Dividend from investments		1,825
Unexpired Insurance	524	
Cash in hand and at Bank	15,752	
Bills receivable (Amount receivable on Promissory note)	19,070	
Capital account		70,000
Drawings account	16,000	
Outstanding wages		2,019
Rent accrued but not paid		750
	8,24,040	8,24,040

Additional information:

- Sundry debtors include an item of ` 250 for goods supplied to the proprietor and an item of ` 600 due from a customer who has become insolvent
- Provision for doubtful debts is to be maintained @ 5% of Sundry debtors
- Goods worth ` 1000 has been destroyed by fire, but a claim of only ` 700 is accepted by the insurance company
- Stock at the end was ` 60,520

Prepare final accounts of Mr. Atmaram.

(2 x 15 = 30 Marks)

(4)

19U148

(Pages: 2)

Name:

Reg. No.....

FIRST SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOVEMBER 2019

(Regular/Supplementary/Improvement)

(CUCBCSS-UG)

CC17U BCP1 B01 - PRINCIPLES AND PRACTICE OF ACCOUNTING

(Core Course)

(2017 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

PART- A

Answer *all* questions. Each question carries 1 mark.

Choose the correct answer from the following:

- Which of the following concept says that business is treated as a unit or entity apart from its owners, creditors, managers and others?
 - Dual aspect concept
 - Business entity concept
 - Going concern concept
 - Consistency Concept
- The rule of Debit all losses and expenses and credit all gains and incomes applies to which of the following account?
 - Real account
 - Nominal account
 - Personal account
 - None of the above.
- Loss on sale of motor car is debited to which account
 - Motor car account
 - Depreciation account
 - Profit and loss account
 - None of these
- When goods are purchased for joint venture, the account to be debited is
 - Purchases account
 - Joint venture account
 - Venture capital account
 - Personal account
- On the admission of a partner if the goodwill account is to be raised, this should be debited to which of the following accounts?
 - Partners account
 - Partners Capital Account
 - Goodwill account
 - Cash account

Fill in the blanks:

- The entry of transactions in a ledger is called -----
- means the sum payable periodically by the hirer under a hire purchase agreement.
- A ----- is a fund built up by regular contribution and the interest received by investing the amount so contributed and the interest itself.
- Purchases account will always have a ----- balance
- The expenses for formation of a company is called -----

(10 x 1 = 10 Marks)

(1)

Turn Over

Part B

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

11. What is consistency concept?
12. What is posting?
13. Rectify the following errors:
 - a. Sales to X for ` 4000, posted to Y's account
 - b. Sales to X ` 4000, credited to Y's account as ` 400
14. Define Consignment.
15. What is a suspense account?
16. Differentiate Bill of Exchange and Promissory Note.
17. X started a branch at Bangalore for which he remitted cash of `1,00,000/-. Pass journal entries in the books of the Head office as well as the Branch.
18. X and Y sharing profits in the ratio of 7:3 admit z on (3/7)th share in the new firm which he takes (2/7)th from X and (1/7)th from Y. Calculate the new profit sharing ratio of partners.
19. Explain the Written down value method in the calculation of depreciation.
20. Explain any 2 causes of differences in the balances shown by the cash book and the bank pass book on a particular date.

(8 x 2 = 16 Marks)

Part C

Answer any *six* questions. Each question carries 4 marks.

21. What are the differences between book keeping and accounting?
22. Briefly explain
 - a. Working capital
 - b. Revenue
 - c. Assets
 - d. liability
23. A in Mumbai enters into a joint venture with X in Delhi to ship cotton bales to P in Singapore. A sends cotton to the value of ` 30,000, pays railway freight of ` 1,500 and sundry expenses of ` 1,575. P send goods valued at ` 20,750, pays freight and insurance of ` 1200; dock dues ` 200, customs charges ` 500 and other sundry expenses ` 500. A advances to P ` 6000 on account of the venture. P receives account sales and remittance of the net proceeds from X in Singapore for the whole of the goods amounting to ` 80,000. Journalise the transactions in the books of A.
24. Briefly explain the importance and usefulness of Accounting standards
25. A bill of ` 45,000 is drawn by R Co Ltd on S Co Ltd and accepted by the latter payable at Bank of Baroda. Show what journal entries will be passed in the books of both the parties under each of the following circumstances.
 1. If they retained the bill till the due date and then realized it on maturity.
 2. If they discounted it with their bankers for ` 43,750
 3. If they endorsed it to their creditors M/S M Co in settlement of their debt of ` 45,200.
26. What are the differences between a Trial balance and a Balance sheet?
27. Distinguish between Hire purchase and Instalment system.
28. From the following information prepare a Bank Reconciliation statement as at 31st December 2016 for M/S innovations Ltd:

19U148

a) Bank over draft as per cash book on 31st December	2,45,900
b) Interest debited by bank on 26 th December 1997 but no advice received	27,870
c) Cheque issued before 31 st December but not yet presented to bank	66,000
d) Transport subsidy received from the state government directly by the bank but not advised to the company	42,500
e) Draft deposited in bank but not credited till 31 st December	13,500
f) Amount wrongly debited to company account by the bank, for which no details are available	7,400

(6 x 4 = 24 Marks)

PART D

Answer any *two* questions. Each question carries 15 marks.

29. Roopesh Merchant of Mumbai has a branch at Nasik. Goods are invoiced to the branch at cost plus 25%. Branch is instructed to deposit cash every day in the head office account with the bank. All expenses are paid through cheques by the head office except petty cash expenses which are paid by the branch manager. Prepare branch account in the books of head office after taking into account the following information also:

Stock at invoice price@ 1 st April 2011	82,000
Stock at invoice price on 31 st March 2012	96,000
Debtors on 1 st April 2011	31,700
Debtors on 31 st March 2012	42,150
Furniture on 1 st April 2011	23,400
Cash sales	4,01,300
Credit sales	3,72,100
Goods invoiced to branch by head office	6,28,000
Furniture purchased on 1 st Oct. 2011, by Branch manager, payment having been made out of cash sales and collection from debtors	2,500
Expenses paid by head office	1,32,000
Petty expenses paid by branch	10,450

Depreciation is provided on branch furniture @10% p.a on diminishing balance method

30. Delhi tourist services Ltd purchased from Maruti Udyog Ltd, a motor van on 1st April 2016 the cash price being ` 1,64,000. The purchase was on hire purchase basis, ` 50,000 being paid on the signing of the contract and, thereafter, ` 50,000 being paid annually on 31st March for 3 years, interest was charged at 15% p.a. Depreciation was written off @ 25% p.a on the reducing installment system. Delhi tourist service Ltd, closes its books every year on 31st March. Prepare the necessary ledger accounts in the books of the vendor and the purchaser.