

(8 pages)

Reg. No. :

Code No. : 32107 E Sub. Code : CNCO 41/
CNHO 41

U.G. (CBCS) DEGREE EXAMINATION,
APRIL 2024

Fourth Semester

Commerce

Non Major Elective — FINANCIAL ACCOUNTING

(For those who joined in July 2021–2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. If payment is made on the average due is result in
 - (a) Loss of interest to the creditor
 - (b) Loss of interest to the debtor
 - (c) No loss of interest to either of them
 - (d) Profit to the debtor and creditor
2. If payment is made after average due date, the party entitled to interest is:
 - (a) The debtor (b) The creditor
 - (c) The bank (d) The investor

3. Which of the following one could have a credit balance?
 - (a) Stock (Inventory) (b) Debtor
 - (c) Bank (d) Cash
4. In principle, the balance in the cash book and in the bank statement should be.
 - (a) Equal
 - (b) Opposite
 - (c) Equal but not opposite
 - (d) Equal but opposite
5. X sold goods to Y at a list price Rs.1,000. X offers 10% trade discount and 5% cash discount. X paid the due on the correct date? How much discount recorded in cash book?
 - (a) Rs.150 (b) Rs.850
 - (c) Rs.45 (d) Rs.955
6. The debtors ledger is prepared to calculate
 - (a) Cash Purchases (b) Credit Purchases
 - (c) Cash Sales (d) Credit Sales
7. Which of the following concept is being applied on depreciation;
 - (a) Money measurement concept
 - (b) Business entity concept
 - (c) Matching concept
 - (d) Going concern concept

Page 2 Code No. : 32107 E



8. Under diminishing value method of depreciation, the secondary year depreciation will be calculated on

- (a) Cost value of the asset
- (b) Market value of the asset
- (c) Net book value of the asset
- (d) Scrap value of the asset

9. Purchase of machinery had been recorded in the Machinery account. Identify the name of the error occurred.

- (a) Omission (b) Commission
- (c) Principle (d) Original entry

10. Which of the following error one which will affect the trial balance's total?

- (a) Transposition error
- (b) Compensating error
- (c) Complete Reversal error
- (d) Partial omission

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Identify the advantages of Average due date for both debtor and creditor.

Or

Page 3 **Code No. : 32107 E**

- (b) The following are the amount due on different dates in between same parties.

Rs.	Due Date
1000	3 rd July
1600	2 nd August
2000	11 th September

Calculate the Average due date.

12. (a) List out the steps for preparing Bank Reconciliation Statement.

Or

- (b) From the following particulars, prepare an amended cash book as on 31st March, 2022.

Particulars	Rs.
(i) Balance as per Cash Book	200
(ii) Cheques received and recorded into bank but not in the cash book	500
(iii) Cheque issued but not yet presented	1,000
(iv) Cheque deposited but not yet collected by the bank	1,250
(v) Bank interest allowed by bank	400
(vi) Telephone charges paid directly by bank	225
(vii) Cheques issued returned	100

13. (a) Distinguish between debtors ledger and creditor ledger.

Or

Page 4 **Code No. : 32107 E**

[P.T.O.]



- (b) From the following information, calculate the credit sales.

Details	Rs.
Debtors balance on 1.1.2021	5,000
Debtor balance on 31.12.2021	4,000
Cheque collected from customers	25,000
Bad debts	500
Provision for bad debts	1,200
Sales return	1,000
Cash Sales	10,000

14. (a) Identify any five errors which are not affecting the trial balance.

Or

- (b) Explain, what situations the suspense account will be appeared.

15. (a) What are the causes for depreciation?

Or

- (b) The cost value of asset is Rs.20,000. Its scarp value is Rs.2,000. The life time of the assets is 4 years. Calculate the depreciation per year.

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Calculate Average Due Date from the following information :

Date of the bill	Term	Rs.
August 10, 2021	3 months	12,000
October 22, 2021	60 days	10,000
December 4, 2021	2 months	8,000
January 14, 2022	60 days	4,000
March 14, 2022	2 months	6,000

Or

Page 5 Code No. : 32107 E

- (b) Two traders X and Y buy goods from one another, each allowing the other one month's credit. At the end of 3 months the accounts rendered are as follows :

X sold goods to Y		Y sold goods to X	
April 18	Rs.30	April, 23	Rs.26
May 15	Rs.35	May, 24	Rs.25
June 17	Rs.40		

Calculate the average due date of X and Y.

17. (a) Explain the causes of differences in Cash book and Pass book.

Or

- (b) From the following particulars, prepare a BRS as on 31st March, 2022.

S.No.	Particulars	Rs.
(i)	Balance as per pass book	15,000
(ii)	Cheque collected by bank on behalf of X credited to Y's a/c	650
(iii)	Cash deposit for Rs.1,789 wrongly recorded by bank.	1,897
(iv)	Withdrawal column of pass book understated	170
(v)	Credit balance on page 9 of the pass book wrongly recorded on page 10	1,700
(vi)	Payment of cheque recorded twice in pass book	600
(vii)	Bank credited in X's account cheque deposited by Y (another customer)	1,200

Page 6 Code No. : 32107 E



18. (a) From the following information prepare sales ledger and purchases ledger.

Particulars	Rs.
Debtors balance on 1.1.2023	6,000
Creditors balance on 1.1.2023	4,000
Cash purchases	8,000
Credit purchases	25,000
Cash sales	10,000
Credit sales	40,000
Sales returns	2,000
Purchases return	1,500
Bad-debts	1,000
Set-off contra	3,000

Or

- (b) Debtors and Creditors ledger account is a tool to find the errors. Identify the similar tools to find the errors in accounting.
19. (a) Distinguish between Straight Line method and Reducing Balance Method.

Or

- (b) On 1st April, 2019, X Ltd, purchased for a machinery for Rs.3,00,000. On 1st October, 2021, part of the machinery costing Rs.20,000 was sold for Rs.11,250 and a new machinery at a cost of Rs.39,500 was purchased and installed on the same date. The company has adopted the method of providing 10% p.a. depreciation on the original cost of the machinery. Prepare a Machinery account.

Page 7. Code No. : 32107 E

20. (a) Explain the types of error which will not affect the Trial Balance.

Or

- (b) Correct the following errors found in the books of Mr. Joni. The trial balance as on 31st December, 2022 was out by Rs.763 excess credit. The difference has been posted to a suspense account. Show the Suspense a/c.
- (i) An account of Rs.150 was received from Bharath on 31st December, 2022 but not entered in the cash book on 3rd January, 2023.
- (ii) The total of return inward book for December has been cash short by Rs.251.
- (iii) A purchase of Rs.68 had been posted to the creditor's account as Rs.60.
- (iv) A sale of Rs.260 to Uma Traders was wrongly credited to their account.

Page 8 Code No. : 32107 E

