

Reg. No. : .....

Code No. : 40659 E Sub. Code : SMCA 32

B.C.A. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2019.

Third Semester

Computer Applications – Main

FINANCIAL ACCOUNTING

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The principles of Accountancy which recognizes the double aspect of a business transaction is known as \_\_\_\_\_ concept.
  - (a) entity concept
  - (b) dual aspect concept
  - (c) accrual concept
  - (d) objectivity concept

20. (a) Explain the features of Income and Expenditure account.

Or

- (b) There is a Tournament fund showing a credit balance of Rs.5,000 on 1.1.2018 in a sports club. During 2018 income to the fund amount to Rs.1,000 and tournament expenses Rs.800; Tournament fund investments on 1.1.2018 was Rs.5,000.

How will they appear in the final account of the club for the year ended 31.12.2018?

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2. The rule for Real account is
- (a) debit what comes in and credit what goes out
  - (b) debit the receiver and credit the giver goes out
  - (c) debit all expenses and losses and credit all gains and incomes
  - (d) none of the above
3. Sale of old machinery on account is recorded in
- (a) sales book                      (b) cash book
  - (c) journal                          (d) ledger
4. Ledger is a principal book in which
- (a) all accounts are kept
  - (b) only personal accounts are kept
  - (c) only real accounts are kept
  - (d) only sales accounts are kept
5. \_\_\_\_\_ forms a connecting link between the ledger accounts and the final accounts.
- (a) Trial balance
  - (b) Balance Sheet
  - (c) Profit and loss a/c
  - (d) Trading account

6. The main object of preparing Trial balance is
- (a) to know the financial position of the concern
  - (b) to check the arithmetical accuracy of accounts
  - (c) to know the gross profit of the concern
  - (d) to know the net profit of the concern
7. Summary of assets and liabilities
- (a) Balance Sheet
  - (b) Trading account
  - (c) Profit and loss a/c
  - (d) Income and Expenditure a/c
8. Excess of sales over cost of goods sold
- (a) net profit                      (b) net loss
  - (c) gross profit                      (d) gross loss
9. Income and Expenditure account relates to
- (a) real a/c
  - (b) nominal a/c
  - (c) personal a/c
  - (d) impersonal a/c



10. Any expenditure incurred in acquiring fixed assets for the business is called as \_\_\_\_\_ expenditure.
- (a) revenue expenditure
  - (b) capital expenditure
  - (c) referred revenue expenditure
  - (d) none of these

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Define accounting. Mention the objectives of accounting.

Or

- (b) How the accounts are classified under double entry system?

12. (a) Distinguish between Journal and Ledger.

Or

- (b) Give journal entries for the following transactions.

- (i) Paid salary to Kannan Rs.3,000
- (ii) Received commission Rs.500
- (iii) Paid to Kannan Rs.1,500
- (iv) Purchase a building for cash Rs.3,00,000
- (v) Sold Machinery to Kumar Rs.10,000 on credit.

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13. (a) What is Trial balance? Bring out the objectives of preparing the Trial balance.

Or

- (b) What are the different types of errors which are disclosed by Trial balance?

14. (a) From the following details, calculate gross profit.

Opening stock Rs.2,000

Purchases Rs.15,000

Sales Rs.26,000

Closing stock Rs.3,000

Return outwards Rs.200

Return inwards Rs.700

Wages Rs.1,000

Salaries Rs.2,000

Interest Rs.500

Or

- (b) What are current assets? Give an examples.

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15. (a) Distinguish between Capital expenditure and Revenue expenditure.

Or

- (b) What amount will be shown in the Income and Expenditure?

Stock of sports goods as on 1.1.2018 Rs.1,000

Stock of sports goods as on 31.12.2018 Rs.400

Sports goods purchased during 2018 Rs.3,600

Old goods sold during 2018 Rs.80.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) What do you mean by double entry system of Book-keeping? What are its advantages?

Or

- (b) Explain the different accounting conventions.

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17. (a) Enter the following transactions in proper subsidiary books

2018

- December 1 Bought goods from Balan Rs.4,000  
2 Sold goods to Mohan Rs.2,000  
7 Sundar sold goods to us Rs.2,000  
8 David bought goods from us Rs.1,400  
10 Received goods returned by Mohan Rs.160  
12 We returned goods to Balan Rs.100  
18 Sold goods to Patel Rs.1,000  
22 Purchased goods from Sankar Rs.1,200  
26 Returned goods to Sundar Rs.200  
30 Sold goods to Mani Rs.1,100.

Or

- (b) What is Ledger? How to prepare an Ledger accounts from the Journal?

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18. (a) From the following balances of accounts prepare Trial balance

	Rs.
Capital	40,000
Building	6,000
Bank a/c	4,000
Interest a/c	350
Bills Receivable a/c	8,000
Debtors	30,000
Bills payable	15,900
Furniture a/c	6,500
Discount received a/c	1,200
Discount allowed a/c	2,100
Machinery a/c	8,000
Creditors	7,850

Or

- (b) Explain the different types of errors which are not disclosed by Trial balance.

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19. (a) Prepare Profit and loss a/c for the year ending 31.3.2018

	Rs.
Gross profit	25,000
Salaries	5,600
Insurance	200
Discount allowed	400
Discount received	300
Commission earned	100
Advertisement	450
Taxes	150
Travelling expenses	500
Stationery	75
Rent	650
Interest on loan	225
Repairs	125
Office expenses	55
General expenses	875
Postings	175
Printing charges	375

Or

- (b) Distinguish between Trial balance and Balance Sheet.

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