

- (v) Paid Rs. 10,000 for the installation of machinery debited to wages account.
- (vi) On 31st December 2003, goods worth Rs.5,000 were returned by Manjula and were taken in to stock on the same date, but no entry was passed in the books.

Or

- (b) Rectify the following errors by using suspense account :
 - (i) Goods sold to Raja Rs.12,500 were not posted to his account.
 - (ii) Purchase book was over cast by Rs. 5,000
 - (iii) Sales book under cast by Rs.665.
 - (iv) Purchase return book was under cast by Rs.200
 - (v) Cash received from Raja Rs.500 was posted to his account as Rs. 5,500.
 - (vi) Cash paid to Mohammed Rs. 9,625 was posted to his account as Rs. 2,125.

Reg. No. :

Code No. : 22110 E Sub. Code : SNCO 4A /
ANCO 41 / ANHO 41

B.Com (CBCS) DEGREE EXAMINATION, APRIL 2022.

Fourth Semester

Commerce / Honours

Non Major Elective — 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. A mean date is calculated
 - (a) In connection with the settlement of contra accounts
 - (b) For a lump sum payment
 - (c) For several payments on different dates
 - (d) None of these



2. A bill due on 29th January, 2015 is made payable at one month after date. The due date of instrument
- (a) 28th February, 2015
 - (b) 29th February, 2015
 - (c) 3rd March, 2015
 - (d) 1st March, 2015
3. On the bank statement, cash deposited by the company is known as
- (a) Credit
 - (b) Debit
 - (c) Liability
 - (d) Expenses
4. Unpresented cheques also referred to as
- (a) Bounced cheques
 - (b) Outstanding cheques
 - (c) Uncredited cheques
 - (d) Uncollected cheques
5. _____ is also called as Sales ledger.
- (a) Personal ledger
 - (b) Impersonal ledger
 - (c) Debtors ledger
 - (d) Creditors ledger
6. General ledger also known as _____
- (a) Impersonal ledger
 - (b) Purchase ledger
 - (c) Sold ledger
 - (d) Bought ledger

7. Depreciation arises because of _____
- (a) fall in the market value of an asset
 - (b) physical wear and tear
 - (c) fall in the value of money
 - (d) rise in the value of money
8. Under the straight line method of charging depreciation, depreciation _____
- (a) increases every year
 - (b) decreases every year
 - (c) is constant
 - (d) fluctuate every year
9. A purchase of computer was debited to Office Expenditure Account. This is an error of :
- (a) Commission
 - (b) Omission
 - (c) Principle
 - (d) Compensatory Error
10. What will be the effect when return inward is wrongly entered as return outward?
- (a) Gross Profit is increased by ~ 100
 - (b) Gross Profit is decreased by ~ 100
 - (c) Gross Profit is increased by ~ 200
 - (d) Gross Profit is decreased by ~ 200



PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) State the utility of average due date

Or

- (b) Find the Average Due Date from the following :

Date of bill	Amount (Rs.)	Term of Bill
04.01.2010	3,500	3 months
17.02.2010	5,000	4 months
26.03.2010	2,500	1 month
07.04.2010	4,000	5 months

12. (a) Explain the need for preparing Bank Reconciliation statement

Or

- (b) Prepare a Bank Reconciliation Statement as on 31st March 2021.

- (i) Balance as per cashbook : Rs.8,400
(ii) Cheques issued but not presented for payment : Rs. 615
(iii) Cheques deposited into bank but not credited in the pass book : Rs. 440

- (iv) Bank charges debited in the pass book: Rs.60

- (v) Interest credited by the bank but not recorded in the cash book : Rs. 75

13. (a) From the following prepare a Purchase Ledger Adjustment A/c.

	Rs.
01.04.20	Creditors Balance (Cr) 12,000
	Creditors Balance (Dr) 150
31.3.21	Total Purchases 40,000
	Cash Purchases 4,000
	Cash Paid 20,000
	Bills accepted 15,000
	Returns Outwards 2,000
	Returns Inwards 1,000
	B/R dishonoured 1,000
	B/P dishonoured 500
	Discount earned 600
	Discount allowed 200
	Bills endorsed 800
	Bills discounted 200
	Creditors Balance (Dr) 140

Or

- (b) A business firm which keeps its books on self-balancing system, gives you the following details. Prepare necessary adjustment account in general ledger as on 31.1.14.

Balance of sundry creditors on 1.1.14 26,070



Transactions during the months were:

Credit purchase	7,000
Payment to creditors	5,430
Discount allowed by them	180
Accepted bills payable	3,960
Returns to creditors	400
Allowances from creditors	10
Bills payable dishonoured	410

14. (a) From the following particulars, calculate the amount of depreciation and prepare Machinery Account for three years, under Straight Line Method.

Machinery purchased on 01.01.2015	Rs.72,000
Freight charges	Rs.2,000
Installation Charges	Rs. 4,000
Life of the Machine	5 years
Accounting year = Calendar year	

Or

- (b) Lee Manufacturing Company purchased Machinery for Rs.7,00,000 on 1st April, 2017. After being used for three years, it was sold for Rs.5,50,000. Depreciation is to be provided at the rate of 10% per annum on fixed instalment method. Books are closed on 31st March every year. Find out the Profit or Loss on sale of Machinery.

15. (a) What is meant by error of casting and error of posting? Give examples

Or

- (b) Rectify the following errors.

- (i) Sales to X Rs.6,250 were recorded at Rs.5,125
- (ii) Sales to X Rs.5,100 were recorded at Rs. 6,000
- (iii) Rent paid Rs.6,375 was recorded in the cash book as Rs. 6,260
- (iv) Sales to X Rs. 10,000 posted to Y's account.
- (v) Sales to A Rs. 10,000 debited to B's account

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Write down the steps for the calculating average due date.

Or



- (b) Mohan owes the following bills to Mrs. Veda.

Due Date	Amount (Rs.)
10-04-2014	3000
05-05-2014	1500
28-05-2014	5000
05-06-2014	2000

Mohan wants to settle the amount on 25th July, 2014, Calculate Average Due Date and Interest at 10% p.a.

17. (a) State the reasons for differences in cash book and pass book

Or

- (b) From the following particulars, ascertain the bank balance as per cash book of Mr. Muthu, prepare Bank Reconciliation statement as at 31st March, 2013.

- (i) Credit balance as per pass book as on 31st March, 2013 : Rs. 6,500
- (ii) Bank charges of Rs.600 had not been entered in the cash book
- (iii) Out of the cheques of Rs.3,500 paid into the bank, a cheque of Rs.1,000 was not yet credited by the banker.
- (iv) Out of the cheques issued for Rs.4,500, cheques of Rs.3,800 only were presented for payment.

- (v) A dividend of Rs.425 was collected by the banker directly but not entered in the cash book.

- (vi) A cheque of Rs.800 had been dishonoured prior to 31st March, 2003 but no entry was made in the cash book.

18. (a) From the following details, prepare the purchase ledger adjustment ac in General Ledger and General Ledger Adjustment a/c in purchase ledger for the year 2012

	Rs.
Purchase ledger balance on 1-1-12 (Cr)	1,20,000
Purchase ledger balance on 1-1-12 (Dr)	10,000
Purchase from creditors	1,80,000
Bills payable accepted	40,000
Cash paid to creditors	1,00,000
Cheques paid to creditors	30,000
Cheques dishonoured	1,000
Goods returned to creditors	10,000
Discount allowed by creditors	2,000
Interest on suppliers accounts due	1,000
Bills payable dishonoured	4,000

Or



- (b) From the following particulars extracted from the books of M/s. Krishnan & Company, who keeps a Sales Ledger and Bought Ledger on the self balancing system. Show how the various adjustment accounts will appear in each of the ledger

	Rs.
Debtors Balance (1-1-16)	45,750
Creditors Balance (1-1-16)	54,900
Transaction for the month of January:	
Credit purchases	20,500
Credit sales	22,700
Return inwards	400
Return Outwards	600
Cash received from customers	25,000
Discount allowed to customers	550
Cash paid to creditors	30,700
Discount received from creditors	670
Acceptance received from debtors	8,500
Creditors bills accepted	12,000
B/R returned dishonoured	1,200
B/P dishonoured	3,000
Bad debts written off	2,500
Sundry charges debited to customers	345
Allowances from creditors	275

19. (a) Explain the causes of depreciation.

Or

- (b) Mr. Suresh furnishes the following particulars and requests you to prepare the Furniture account for three years.

Asset purchased	Furniture
Date of purchase	01.01.2005
Asset value	Rs. 4,00,000
Rate of depreciation	10%
Accounting year/period	Jan-December
Method of operation	Written down value method
Asset sold on 31.12.2007	Rs.3,10,000

20. (a) Give journal entries to rectify the following errors:
- Purchase of good from Devi amounting to Rs.25,000 has been wrongly passed through the sales book.
 - Credit sale of goods Rs.30,000 to Rajan has been wrongly passed through the purchases book.
 - Sold old furniture for Rs.3,500 passed through the sales book.
 - Paid wages for the construction of building debited to wages account Rs. 1,00,000.

