

Reg. No. :

**Code No. : 20393 E Sub. Code : JNCO 3 A/
SNCO 3 A**

U.G.(CBCS) DEGREE EXAMINATION,
NOVEMBER 2020.

Third Semester

Commerce

Non-Major Elective — INTRODUCTION TO
ACCOUNTANCY

(For those who joined in July 2016 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The accounting equation of Dual Aspect concept is
 - (a) Capital + Liabilities = Assets
 - (b) Capital + Assets = Liabilities
 - (c) Liabilities + Assets = Capital
 - (d) None of these

2. The rule of debit all expenses and losses and credit all gains and incomes
- (a) personal a/c (b) real a/c
(c) nominal a/c (d) none of these
3. Double entry system was originated in _____ country.
- (a) India (b) America
(c) Italy (d) Russia
4. Journal is a book of _____
- (a) prime entry (b) secondary entry
(c) closing entry (d) correcting entry
5. The left side of an account is called the _____
- (a) Debit side
(b) Credit side
(c) Debit and credit side
(d) None of these
6. _____ discount encourages prompt payment of cash.
- (a) trade (b) cash
(c) quantity (d) none of these

7. A schedule of balances drawn from the ledgers is called _____.
- (a) Trial balance (b) Income statement
(c) Balance sheet (d) Trading accounts
8. Machinery account will indicate a _____ balance.
- (a) credit
(b) debit
(c) both debit and credit
(d) none of these
9. Gross profit/gross loss is calculated from preparing _____.
- (a) P and L a/c (b) Trading a/c
(c) Both (a) and (b) (d) Balance sheet
10. Excess sales over cost of goods sold is _____
- (a) Gross profit
(b) Net profit
(c) Operating profit
(d) Net operating profit.

PART B — ($5 \times 5 = 25$ marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the importance of money measurement concept.

Or

- (b) What are the accounting conventions? Explain them.

12. (a) State the rules of double entry system.

Or

- (b) Pass Journal entries from the following transaction.

2015

January 1 Subash started the business with a capital of Rs. 5,00,000

8 Typewriter purchased Rs. 50,000

15 Goods purchased from John Rs. 17,000

22 Cash sales Rs. 15,000

30 Salary paid Rs. 25,000

13. (a) Prepare ledger accounts and balancing of an accounts from the following transactions.

1996		Rs.
April 1	Started the business with cash	50,000
3	Goods purchased from Guru	1,500
5	Goods sold to Kumar	500
6	Cash sales	3,000
11	Furniture purchased	1,000
27	Deposited into bank	2,000

Or

- (b) Explain the differences between journal and ledger.
14. (a) Prepare a trail balance from the following particulars.

	Rs.
Capital	40,000
Sales	25,000
Stock	5,200
Debtors	2,500
Creditors	1,000
Purchases	15,000
Salaries	2,000

	Rs.
Rent	1,500
Cash	2,000
Insurance	300
Drawing	5,000
Machinery	28,000
Bank	4,500

Or

(b) What is trail balance? How is it prepared?

15. (a) Explain the uses of balance sheet.

Or

(b) What are the objectives of preparing final accounts?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) What is double entry system? What are its advantages?

Or

(b) Explain the various functions of accounting.

17. (a) From the following transactions pass journal entries and post them into the ledger

2000	Rs.
May 1. Ram started the business	50,000
2. Deposited into bank	11,000
5. Cash withdrawal from bank for office use	3,000
9. Sold goods for cash	7,000
11. Goods purchased from Kumar	15,000
17. Furniture purchased from Ananthi	5,000
30. Salary	4,000
Rent	2,000

Or

- (b) What are the advantages of subsidiary book?

18. (a) Explain the different kinds of cash book.

Or

- (b) Prepare single column cash book of Arun from the following transactions.

2004	Rs.
March 1. Commenced the business with cash	10,000
5. Purchased goods for cash	4,000
6. Purchased goods from Veni	2,000

2004	Rs.
7. Paid to Anu	2,000
18. Goods sold for cash	3,000
21. Sold goods to Karan	2,500
24. Paid salary	500
29. Received cheque from Kumar	2,000
31. Cash withdrawn from bank	500

19. (a) What are the functions of trial balance?

Or

(b) From the following balances of account.
Prepare a trial balance as on 31 March 2000.

	Rs.		Rs.
Capital	1,00,000	Building	15,000
Bank	4,000	Interest paid	900
Motor vehicle	5,000	Loan from Arun	15,000
Sales	51,000	Drawings	18,000
Creditors	10,000	Furniture	7,500
Purchase	45,000	Stock	25,000
Wages	3,000	Salaries	15,000
Commission received		Debtors	28,100
	500		

20. (a) From the following trial balance of Ravi prepare trading and profit and loss account for the year ended December 31, 2003 and the balance sheet as on that data.

Particular	Debit Rs.	Credit Rs.
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank balance	4,500	
Cash	2,000	
Stock 1.1.2003	5,200	
Debtors	2,500	
Creditors		1,000
	<hr/> 66,000 <hr/>	<hr/> 66,000 <hr/>

Additional information :

- (i) Stock on 31.12.2003 Rs. 4,900
- (ii) Salaries unpaid Rs. 300
- (iii) Rent paid in advance Rs.200
- (iv) Insurance prepaid Rs.90

Or

- (b) What are the differences between trading account and profit and loss account?
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