

**Reg. No. : .....**

**Code No. : 20252 E      Sub. Code : JMCA 32/  
SMCA 32/AMCA 32**

**B.C.A. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2021**

**Third Semester**

**Computer Application — Main**

**ESSENTIALS OF FINANCIAL ACCOUNTING**

**(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 answers :**

1. Owners equity refers to
  - (a) Total equity – creditors equity
  - (b) Total equity + creditors equity
  - (c) Total equity × creditors equity
  - (d) Total equity

2. 'Policy of planning safe' refers
  - (a) Convention of disclosure
  - (b) Convention of materiality
  - (c) Convention of consistency
  - (d) Convention of conservation
3. Journal is a book of
  - (a) Prime entry                      (b) Secondary entry
  - (c) Closing entry                      (d) Correcting entry
4. Purchase return book is prepared on the basis of  
\_\_\_\_\_
  - (a) Debit note                      (b) Credit note
  - (c) Invoice note                      (d) Requisition note
5. The arithmetical accuracy of posting is the main principles of
  - (a) Journal book                      (b) Transaction
  - (c) Ledger book                      (d) Trial balance
6. Provision for bad debts appearing in trial balance will figure in
  - (a) The balance sheet
  - (b) The profit and loss a/c
  - (c) Trading a/c
  - (d) Both (a) and (b)

7. Patent and copy rights are the example of
- (a) Current assets
  - (b) Liquid assets
  - (c) Tangible assets
  - (d) Contingent assets
8. Which of the following is the aim of manufacturing account
- (a) To ascertain factory cost of production
  - (b) To disclose operating profit
  - (c) Cost control and ascertainment of cost
  - (d) To find out total cost
9. Receipts and payment account is prepared on the basis of
- (a) Cash book
  - (b) Income and expenditure a/c
  - (c) Profit and loss a/c
  - (d) Sales book
10. Donation received for a specific purpose is
- (a) Capital receipt              (b) Revenue receipt
  - (c) Liability                      (d) Asset

PART B — ( $5 \times 5 = 25$  marks)

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

Each answer should not exceed 250 words.

11. (a) What do you mean by accounting convention?  
Explain its various types.

Or

- (b) Distinguish between single entry system and double entry system.

12. (a) Journalise the following transaction.

- (i) Paid salary to Kumar Rs. 5,000.
- (ii) Received interest Rs. 2,000.
- (iii) Paid to Kannan Rs. 1,500.
- (iv) Purchased a machinery for cash Rs. 10,000.
- (v) Sold a building to Arun Rs. 5,00,000.

Or

- (b) What do you mean by ledger? List out its advantages.

13. (a) What are the errors which are not disclosed by Trial balance?

Or

- (b) Write a short note on 'suspense account'.

14. (a) Distinguish between trading and profit and loss account.

Or

- (b) Give the various classification of assets and liabilities.

15. (a) Distinguish between capital receipts and revenue receipt.

Or

- (b) How will you treated as donation in income and expenditure account?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the different accounting concept.

Or

- (b) What do you mean by double entry system of book keeping? What are its merits and demerits?

17. (a) Enter the following transactions in prepare subsidiary book.

2019        3. Sold goods an credit to Prasad Rs. 5,500

December 6. Sold goods to Chandran Rs. 6,600

10. Goods returned by Chandran Rs. 440

16. Sold goods to Prasad for Rs. 7,700

20. Sales returns from Prasad 220

28. Sales returned from Chandran Rs. 330

Or

(b) Enter the following transactions in a three column cash book.

2019 1. Cash in hand Rs. 410

Jan.        Balance at bank Rs. 8,920

2. Cash sales Rs. 4,500

3. Paid into bank Rs. 4,000

5. Purchased stationary Rs. 100

8. Paid Mahesh by cheque Rs. 250

Discount received Rs. 20

12. Gave a cheque for cash  
purchases Rs. 1,500

15. Drew for personal use Rs. 500

20. Drew from bank Rs. 1,000

21. Paid ways Rs. 800

18. (a) Define the term trial balance. What are its features?

Or

- (b) Prepare trial balance from the following capital Rs. 9,000; plant and machinery Rs. 12,000; purchases Rs. 8,000; rent outstanding Rs. 1,000; opening stock Rs. 2,000; sales return Rs. 4,000; sales Rs. 12,000; investments Rs. 14,000; sundry creditors Rs. 8,000; debtors Rs. 12,000; bank loan Rs. 22,000.

19. (a) What is manufacturing account? What are its advantages?

Or

- (b) The following trial balance of Arun as at 31.12.2019 is given you. Prepare a final account.

	Rs.		Rs.
Opening stock	15,500	Capital	90,000
Land and building	35,000	Creditors	9,600
Machinery	50,000	Purchase return	2,100
Furniture	5,000	Sundry income	1,200
Purchases	1,06,000	Reserve for bad debts	300

	Rs.		Rs.
Salaries	11,000	Sales	2,07,000
General expenses	2,500		
Rent	3,000		
Postage	1,400		
Wages	26,000		
Freight on purchase	2,800		
Carriage on sales	4,000		
Repairs	4,500		
Debtors	30,000		
Bad debts	600		
Cash	100		
Bank	6,400		
Sales return	6,400		
	<u>3,10,200</u>		<u>3,10,200</u>

Adjustments :

- (i) Closing stock Rs. 14,900.
- (ii) Wages outstanding Rs. 2,100.
- (iii) Depreciate land and building 2%  
machinery 10%.
- (iv) Provision of 5% on debtors for bad debts required.



20. (a) Distinguish between receipts and payment a/c and income and expenditure a/c.

Or

- (b) Prepare an income and expenditure account of Dr. Surender and his balance sheet as and 31.12.2019 from the following receipts and payment a/c.

Receipts	Rs.	Payments	Rs.
To capital introduced	50,000	By furniture	10,000
To visits	50,000	By equipments	50,000
To receipts from client	55,000	By purchase of drug	30,000
To miscellaneous receipts	5,000	By salary	12,000
		By rent	4,000
		By office expense	1,000
		By conveyance	5,000
		By stationery	1,000
		By lighting	500
		By journals	1,500
		By drawings	10,000
		By balance a/c	35,000
	<u>1,60,000</u>		<u>1,60,000</u>

Amount still receivable an account on visit is Rs. 2,000. Salary of assistant still payable Rs. 400. 40% conveyance is for domestic purpose stock of drugs on hand Rs. 5,000. Furniture and equipments are both subject to depreciation at 10%.

---