

Reg. No. :

Code No. : 12082 E Sub. Code : CNCO 31/
CNHO 31

U.G. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Third Semester

Commerce/Honours

Non Major Elective — INTRODUCTION TO
ACCOUNTANCY

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which is the evidence of business transaction?
(a) Balance sheet (b) Voucher
(c) Journal (d) Ledger
2. Debtors and bills receivable are shown as
(a) trade payable (b) cheques in hand
(c) trade receivable (d) none of the above



3. _____ is sent to a customer when he returns goods.
- (a) Debit note (b) Credit note
(c) Proforma note (d) None of the above
4. Cash purchase of goods is recorded in
- (a) Purchase book (b) Sales book
(c) Cash book (d) None of these
5. A ledger is called a book of
- (a) primary entry (b) final entry
(c) original entry (d) none of these
6. The credit balance of a personal account shows.
- (a) Cash in hand (b) The amount payable
(c) Income (d) Amount receivable
7. Which of the following accounts normally has credit balance?
- (a) wage outstanding
(b) motor vehicles
(c) prepaid rent
(d) return inwards

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8. Trial balance creates _____ accuracy.
- (a) Principle (b) Arithmetic
(c) Clerical (d) None
9. How many components do final accounts have?
- (a) 2 (b) 5
(c) 7 (d) 3
10. Final accounts are prepared on
- (a) Yearly basis
(b) Quarterly basis
(c) Half yearly basis
(d) Differ from company to company

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) What is accounting equation, and how do you calculate it?
- Or
- (b) What are the rules for debit and credit in accounting?

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12. (a) Enter the following transactions in the books of Thiru. Anwar.

2007, January

- " 1. Started business with Rs. 25,000
- " 2. Deposited in to bank Rs. 23,500
- " 3. Purchased furniture by issuing cheque Rs. 2,000
- " 4. Cash purchase Rs. 5,000
- " 5. Sold goods to Ramu Rs. 150
- " 6. Goods worth Rs. 250 taken from the shop for personal use.

Or

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

2003, August

- " 1. Started business with cash Rs. 1,000
- " 2. Purchased goods for cash Rs. 400
- " 3. Sold goods for Rs. 840
- " 4. Paid to Prabhu Rs. 200
- " 5. Received from Babu Rs. 700
- " 6. Paid rent Rs. 100
- " 7. Sold goods for Rs. 500.

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13. (a) Differentiate journal from ledger.

Or

- (b) Describe the basic documents for subsidiary books.

14. (a) What are the various methods of preparing trial balance?

Or

- (b) From the under mentioned balances, prepare a trial balance as on 31.3.2007.

	Rs.		Rs.
Cash in hand	4,800	Furniture	60,000
Purchases	4,80,000	Bills receivable	80,000
Opening stock	1,40,000	Salaries	80,000
Sundry creditors	96,000	Capital	4,00,000
Machinery	2,40,000	Bills payable	88,000
Wages	64,000	Sundry debtors	2,00,000
Sales	8,04,000	Rent	40,000

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15. (a) What is final accounts? Explain its objectives.

Or

- (b) From the following balances, prepare trading and profit and loss a/c for the year ending 31.12.2006 and balance sheet as on that date.

Debit balance Rs.		Credit balance Rs.	
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000
Sundry expenses	600		
Purchases	25,000		
Buildings	2,500		
Bank balance	<u>5,600</u>		
	<u>81,500</u>		<u>81,500</u>

Adjustment :

- Closing stock Rs. 900
- Salary outstanding amounted to Rs. 1,100
- Rent paid in advance Rs. 100
- Provide 5% for doubtful debt against debtors.

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 functions of accounting.

Or

- (b) Write short note on :
- Business entity concept
 - Going concern concept
 - Convention of consistency
 - Book - keeping.

17. (a) Prepare purchase returns to sales return books.

2000		Rs.
Sep. 1.	Purchased goods from Suresh	205
2.	Received goods returned by Natarajan	300
5.	Goods returned to Kannan	500
7.	Sales returns by Madhavan	1,260
15.	Returned defective goods to Raju	1,280
18.	Damaged goods returned by Murali	1,120
23.	Outward returns to Kumar	275
28.	Inward returns by Sam	750
29.	Returned inferior goods to Sankar	890
30.	Selvan returned goods to us	1,330

Or



- (b) Enter the following transaction in the purchase book.

2009

- May 1. Purchased from Kavitha shoe mart, Chennai
100 shoes @ Rs. 300 each
50 bests @ Rs. 75 each
Packing and delivery charges Rs. 200
Trade discount 10%
- May 10. Purchased from S.K. Shoe mart, Mumbai
50 cut shoes Rs. 100
25 Leather shoes Rs. 500
Delivery and cartage Rs. 150.

18. (a) From the following transaction, prepare ledger a/c.
- (i) cash a/c
 - (ii) capital a/c
 - (iii) machinery a/c
 - (iv) purchase a/c
 - (v) sales a/c.

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2009, May 1. Mr. Ajith started business with cash Rs. 75,000.

- 1. Purchased machinery for Rs. 12,000
- 3. He opened an a/c with Indian bank Rs. 20,000
- 5. Goods purchased from Kamala Rs. 15,000
- 10. Paid to kamala in full settlement Rs. 14,500
- 14. Goods sold to Mr. Balaji Rs. 20,000
- 16. Cash received from Mr. Balaji Rs. 5,000
- 18. Goods purchased for Rs. 10,000
- 25. Goods sold for Rs. 25,000
- 31. Interest on capital @ 10% for the month
- 31. Depreciate machinery @ 10% for the month.

Or

- (b) What is ledger a/c? Explain its features.
19. (a) Explain the objectives of trial balance.

Or

- (b) Prepare trial balance for the following balances as on 31st March 2021.

Balances	Rs.
Cost of goods sold	5,20,000
Opening stock	50,000
Closing stock	50,000
Salary and wages	50,000

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Balances	Rs.
Sales	8,00,000
Plant and machinery	2,00,000
Drawing	50,000
Investment	4,30,000
Creditors	1,00,000
Capital	4,00,000

20. (a) The following are the balances extracted from the books of Thiru. Gokul as on 31.12.2006. Prepare trading and profit and loss a/c for the year ended 31st Dec. 2006 and a balance sheet as on that date.

Debit balance	Rs.	Credit Balance	Rs.
Opening stock	20,000	Capital	1,00,000
Machinery	40,000	Purchase returns	1,000
Purchases	70,000	Sales	90,000
Sales returns	1,000	Creditors	29,000
Wages	2,000		
Salaries	5,000		
Office rent	2,000		
Insurance	1,000		
Debtors	50,000		
Cash	4,000		
Bank	25,000		
	<u>2,20,000</u>		<u>2,20,000</u>

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Adjustments :

- Closing stock is valued at Rs. 20,000
- Outstanding salaries Rs. 1,000
- Prepaid insurance Rs. 500
- Bad debts Rs. 1,000
- Provide 10% depreciation on machinery.

Or

- (b) Explain the treatment if the following items appear in the trial balance.
- Outstanding expenses
 - Income received in advance
 - Outstanding income
 - Prepaid expenses
 - Closing stock
 - Depreciation
 - Interest on capital.

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