

20. (a) Explain the term final accounts? What are the objectives of preparing final accounts?

Or

- (b) From the following balances prepare Trading and Profit and Loss account for the year ending 31.12.2020 and Balance Sheet as on that date :

Debit	Rs.	Credit	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	5,600		
	<u>81,500</u>		<u>81,500</u>

Adjustments :

- (i) Closing stock Rs.900
- (ii) Salary outstanding Rs.1,100
- (iii) Rent paid in advance Rs.100

Reg. No. :

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CNHO 31

U.G. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023

Third Semester

Commerce/Honours

Non Major Elective — INTRODUCTION TO
ACCOUNTANCY

(For those who joined in July 2021-2022 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answers.

1. The accounting principle that states companies and owners should be account for separately
 - (a) Business entity concept
 - (b) Going concern concept
 - (c) Monetary unit assumption
 - (d) Periodicity assumption



2. What is not a value of accounting relevance?
(a) Predictive value (b) Feedback value
(c) Timeliness (d) Reliability
3. Which one of the following is an example of current asset?
(a) Land and machinery
(b) Motor car
(c) Patents
(d) Prepaid expense
4. Goodwill is an example of
(a) a current asset (b) a fictitious asset
(c) a fixed asset (d) an intangible asset
5. Which of the following is a ledger account?
(a) Events (b) Journal
(c) Transactions (d) None of the above
6. Ledger is a principal book that contains
(a) Real accounts only
(b) Personal accounts only
(c) all accounts
(d) nominal accounts only

7. Name the account type with a normal balance of credit
(a) Revenue (b) Asset
(c) Drawing (d) Expense
8. What is a trial balance?
(a) Personal account
(b) Nominal account
(c) Real account
(d) None of these
9. What kind of expenses are paid from gross profit?
(a) Selling expenses
(b) Financial expenses
(c) General expenses
(d) All of the above
10. Which of the options is an example of business liability?
(a) Creditors (b) Cash
(c) Building (d) Land



PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Write a note on accounting principles.

Or

- (b) What are the advantages of accounting?

12. (a) Journalize the following in the journal of Thiru. Gowri Shakar.

		Rs.
2020		
October		
1	Received cash from Siva	75,000
7	Paid cash to Sayeed	45,000
10	Bought goods for cash	27,000
12	Bought goods on credit from David	48,000
15	Sold goods for cash	70,000

Or

- (b) What are the advantages of double entry system?

13. (a) Give the ledger account following transactions :

- (i) Karthik commenced business with Rs. 1,00,000
- (ii) Purchase furniture for Rs. 5,000
- (iii) Sold goods for cash Rs. 20,000
- (iv) Paid salaries Rs. 10,000.

Or

- (b) Give the differences between a journal and ledger.

14. (a) Prepare a trial balance from the following balances :

	Rs.
Furniture	10,000
Machinery	50,000
Buildings	1,00,000
Capital	1,50,000
Cash	5,000
Bills payable	15,000

Or

- (b) What are the difference between Trial balance and balance sheet?



15. (a) Prepare trading account of Shri. Vijay for the year ending 31st March 2019 from the following figures. Purchases Rs. 3,00,000, Sales Rs. 5,00,000, Stock (April 1, 2018) Rs. 40,000, Wages Rs. 30,000, Carriage inwards Rs. 4,000, Return outwards Rs. 3,000, Return inwards Rs. 2,500, Freight and clearing charges Rs. 5,000 and Closing Stock Rs. 42,000.

Or

- (b) How do calculate Daily balance method?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain classification of accounts.

Or

- (b) What are the five concepts of accounting?

17. (a) Journalise the following transactions and post them in to the ledger.

Dec
2020

- 1 Raja started business with capital of Rs. 50,000
2 He purchased furniture for Rs. 5,000
3 He bought goods on credit from Vinod for Rs. 8,000
14 He sold goods to Suresh for Rs. 5,000
15 He received cash from Suresh Rs. 5,000
27 He sold goods for cash Rs. 8,000
28 He paid rent Rs. 1,200

Or

- (b) What is a ledger account? Give a proforma of a ledger account.

18. (a) Journalize the following transactions in the books of Mr. Arun & Co.

- June 1 Started business with a capital of Rs. 60,000
2 Paid into bank Rs. 30,000
4 Purchased goods from Kamal on credit Rs. 10,000
6 Paid salaries Rs. 4,000
7 Withdraw for personal use 1,000
10 Withdraw from bank for office use Rs. 2,000
12 Sold to Hameed Rs. 5,000
14 Cash sales Rs. 20,000

Or



- (b) Enter the following transaction in the proper subsidiary books of M/S Arun.

2015
May

- 1 Bought goods for Karthick Rs. 1,500
2 Sold goods to Murugan Rs. 1,400
5 Senthil sold goods to us Rs. 1,000, trade discount 10%
14 Sold goods to Kumaran Rs. 1,200
18 Purchased goods from Kandan Rs. 2,000
19 Received good returned by Murugan Rs. 1,400
20 Returned goods to Senthil worth Rs. 90
30 Goods returned by Kumaran Rs. 120

19. (a) From the under mentioned balances, prepare a trial balance as on 31.3.2017.

	Rs.
Cash in hand	4,800
Purchases	4,80,000
Opening stock	1,40,000
Sundry creditors	96,000
Machinery	2,40,000
Wages	64,000

	Rs.
Sales	8,04,000
Furniture	60,000
Bills receivable	80,000
Salaries	80,000
Capital	4,00,000
Bills payable	88,000
Sundry debtors	2,00,000
Rent	40,000

Or

- (b) Correct the following trial balance :

	Rs.		Rs.
Return outward	16,000	Debtors	15,000
Opening stock	34,200	Rent paid	5,000
Salaries	12,000	Capital	55,200
Creditors	48,000	Machinery	18,000
Bank	45,000	Return inwards	3,000
Carriage inward	6,000	Discount received	4,000
Rent received	3,000	General expenses	6,000
Discount allowed	2,000	Sales	1,40,000
Purchases	1,00,000	Buildings	20,000
	<u>2,66,200</u>		<u>2,66,200</u>

