

First Year BBM Degree Examinations**August / September 2010**

Directorate of Correspondence Course

COMMERCE*(Freshers)***Financial Accounting**

Time: 3hrs.]

[Max.Marks : 80

SECTION – A**I. Answer any THREE questions Each carries 5 marks :****5 x 3=15 Marks**

1. Write a note on Going Concern Concept.
2. What is an Account? State the different kinds of account and corresponding rules of debit and credit.
3. What is journal proper?
4. Write a note on Minimum Rent and Short Workings..
5. Write a note on Non-trading organizations.

SECTION – B**II. Answer any TWO questions. Each carries 10 marks :****10 x 2=20 Marks**

6. Enter the following transactions in the Journal 2010
 - Jan 1) Started the business with Rs. 50,000
 - 2) Purchased furniture for cash Rs. 10,000
 - 3) Bought goods from Raja & Co. 2,000
 - 4) Purchased goods for cash from Vjay Rs. 3,000
 - 5) Sold goods to Somashekar on credit Rs. 4,000
 - 6) Sold goods to Mahesh for Cash Rs. 500
 - 7) Paid to Raju & Co. Rs. 1,500
 - 8) Received cash from Somesh on account Rs.3,000
 - 9) Returned goods to Raja & Co. Rs. 500
 - 10) Somesh returned goods to us Rs. 750
 - 11) Paid rent Rs. 1000
 - 12) Received commission Rs. 500
7. Enter the following transactions in Three column each book.

2010 March	1 st	Cash in hand Rs. 30,000 cash at bank Rs.50,000
	2 nd	Received from Anil cash Rs. 20,000 and a cheque of Rs. 5,000 on account

- 4th Paid by cheque to Praveen Rs. 4,850
in full settlement of account Rs. 5,000
- 5th A cheque received from Anil deposited into bank
- 7th Cash sales Rs. 9,000
- 8th Paid into Bank Rs. 7,000
- 10th Paid for cash purchases Rs. 12,000
- 11th Cheque received from Anil returned dishonoured.
8. Rajesh bought a machine for Rs. 25,000 on which he spent Rs. 5,000 for carriage and Rs. 1000 for brokerage for the middlemen and Rs. 4,000 for installations. The machine was depreciated at 10 percent every year on written down value basis. After three years the machine was sold to Mr. Y for Rs. 30,500 and Rs. 500 was paid as commission to the broker through whom the sale was effected .
Prepare Machinery A/c and depreciation A/C for three years.
9. From the following information prepare a manufacturing account of Sri Subash and findout the cost of production for the year ending 31st March 2010.

	Rs.
Work in progress on 1 st April 2009	12,000
Purchase of Raw materials	1,35,000
Raw material on 1 st April 2009	13,500
Carriage inwards	1,100
Wages	27,000
Salary of works manager	15,600
Sundry Factory expenses	3,400
Factory light and power	2,500
Closing stock of work in progress:31.3.2010	14,500
Closing stock of raw materials:31.3.2010	14,000
Salary to Subash	12,000
Other information:	
O/s factory, light & power	Rs. 250
O/s wages	Rs. 2,600
The salary of Subash is to be allocated 2/3 to factory and 1/3 to office. Provide depreciation on fixed assets Rs. 11,320	

SECTION - C

III Answer any **THREE** questions. Each carries 15 marks :

15 x 3=45 Marks

10. From the following Trial Balance of Akash Traders. Prepare Trading and profit and Loss account for the year ended 31.03.2010 and balance sheet as on that date.

	Trial Balance	
	Dr.	Cr.
	Rs.	Rs.
Purchases and sales	26,000	56,000
Returns	400	200
Discount allowed and received	100	580
Bills receivable / payable	2,000	1,000
Drawings and capital	6,000	20,000
Debtors and creditors	5,000	2,000
Building	18,000	-
Furniture	4,000	-
Stock on 1.4.2009	14,000	-
Salaries	3,100	-
Sundry Income	-	220
Office expenses	400	-
Bad debts	200	-
Advertising	800	-
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	80,000	80,000
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Adjustments:

- Value of closing stock Rs. 24,200
 - Deprecation on building at 5% and furniture at 10%
 - Unpaid salaries Rs. 600
 - Outstanding expenses Rs. 100
 - Create reserve for bad debts @ 10% on debtors
 - Advertisement paid in advance Rs. 100
11. The following was the balance sheet on 31.12.2009 Sameer and Santhosh who were sharing profits in the ratio of 2:1