

Reg. No. : .....

Name : .....

**Fifth Semester B.Com. Degree Examination, December 2022**

**First Degree Programme under CBCSS**

**Open Course**

**CO 1551.1/TT 1551.1/CC 1551.1/CX 1551.1 – FUNDAMENTALS OF  
FINANCIAL ACCOUNTING**

**(2018 Admission onwards)**

**(Common for Commerce/Commerce and Tourism and Travel  
Management/Commerce with Computer Applications/Commerce & Tax  
Procedure and Practice)**

Time : 3 Hours

Max. Marks : 80

**SECTION A**

Answer all questions. Each question carries 1 mark.

1. Define accounting.
2. State accounting equation.
3. What is money measurement concept?
4. What do you mean by accounting principles?
5. What is Journal?
6. What is Ledger Folio?
7. What is contra entry?
8. Define Trial Balance.
9. What is the purpose of preparing Trading Account?
10. What are outstanding expenses?

**(10 × 1 = 10 Marks)**

## SECTION B

Answer any **eight** questions. Each question carries **2** marks.

11. How is accounting different from book-keeping?
12. What is cash system of accounting?
13. What is matching principle?
14. What do you mean by triple column cash book?
15. What are closing entries?
16. State the basic rules of debit and credit.
17. How do you balance a ledger account?
18. Define a credit note.
19. What is cash discount?
20. What is a compound journal entry?
21. How is closing stock valued?
22. How will you close the profit and loss account?
23. What do you understand by provision for doubtful debts?
24. What is voucher system?
25. What do you mean by errors of commission?
26. What is meant by marshalling of assets and liabilities?

**(8 × 2 = 16 Marks)**

## SECTION C

Answer any **six** questions. Each question carries **4** marks.

27. What are the objectives of accounting?
28. What are the fundamental accounting assumptions for the preparation and presentation of financial statements?
29. Explain briefly the difference between journal and ledger.
30. "Journal proper is meant for recording such transactions which do not occur frequently". Give four examples of such transactions.
31. Distinguish between Trial Balance and Balance Sheet.
32. Give a proforma of a Balance Sheet showing assets, liabilities and capital in order of liquidity.
33. What are the objectives of Accounting Standards Board?
34. Journalise the following :

2021 April 2 Vismaya started business with a capital of Rs. 2,00,000

April 2 Purchased furniture Rs. 20,000

April 5 Goods purchased for cash Rs. 50,000

April 15 Sales : Cash Rs. 16,000 ; credit to Rageeth Rs. 6,000

April 20 Paid to Basheer Rs. 2,000

April 25 Received from Rageeth Rs. 5,800 ; discount allowed Rs. 200.

April 30 Salary paid Rs. 5,000.

35. Prepare a statement showing the effect of following transactions on accounting equation.

Transactions :

- (a) Introduction of Rs. 5,00,000 cash and Rs. 20,000 furniture by the owner.
- (b) Rs. 2,00,000 worth Building purchased by paying 10,000 cash immediately.
- (c) Deposited Rs. 3,00,000 into bank.
- (d) Paid by cheque Rs. 1,90,000 to creditors for building.

36. Record the following transactions in the Purchases Day Book :

2021

January 1 Purchased from Sunny & Co. on credit :

30 Heater Rods @ Rs. 50

20 Philips Bulbs @ Rs. 100

January 4 Purchased from Joy & Co. on credit :

40 Heater Rods @ Rs. 50

20 LED Bulbs @ Rs. 150

January 8 Purchased from Bajaj & Co. on credit :

20 Fans @ Rs. 2,500

10 Iron Boxes @ Rs. 1,500

January 24 Purchased from Sunny & Co. on credit :

40 Electric Sockets @ Rs. 40

30 Electric switches @ Rs. 150

37. From the following particulars, prepare a cash book with cash and discount columns for the month of July 2021.

2021

July

- 1 Cash in hand Rs. 40,000
- 5 Cash received from Suresh Rs. 10,000  
Discount allowed to him Rs. 1,000
- 8 Cash paid to Ravi Rs. 12,000 in settlement of his account of Rs. 12,500
- 15 Paid salary Rs. 3,000
- 18 Received Commission Rs. 4,000
- 22 Purchased goods Rs. 10,000
- 23 Cash sales Rs. 2,000
- 24 Cash paid to Mukundan Rs. 19,700  
Discount received Rs. 300.

38. From the following information prepare a Profit and Loss Account of Bhasi for the year ending 31<sup>st</sup> March 2022.

Gross profit Rs. 1,20,000 ; Salaries Rs. 45,000 ; Stationary Rs. 2,500 ; Carriage on sales Rs. 4,500 ; Discount allowed Rs. 5,000 ; Carriage on purchases Rs. 3,000 ; Discount received Rs. 7,000 ; Wages Rs. 2,000 ; Bad debts Rs. 2,000 ; Insurance Rs. 2,000.

(6 × 4 = 24 Marks)

## SECTION D

Answer any **two** questions. Each question carries **15** marks.

39. Explain the generally accepted accounting principles.
40. Enter the following transactions in the Petty Cash Book (maintained on Imprest system) for the month of January, 2021.

Jan. 01 Cash received from the Chief Cashier Rs. 2,000

Jan. 02 Printer paper Rs. 80

Jan. 03 Postage Rs. 40

Jan. 06 Office cleaning Rs. 40

Jan. 07 Postage Rs. 20

Jan. 08 Office cleaning Rs. 20

Jan. 10 Cartage Rs. 20

Jan. 15 Postage Rs. 60

Jan. 18 Printer paper Rs. 130

Jan. 20 Printer ink Rs. 100

Jan. 22 Telephone charges Rs. 90

Jan. 24 Office cleaning Rs. 80

Jan. 25 Hand wash Rs. 210

Jan. 27 Postage Rs. 240

Jan. 29 Paper, pen and pencil Rs. 310.

41. The following balances are given in the Trial Balance of a trader at the end of the accounting year :

	Dr. Rs.	Cr. Rs.
Plant and Machinery	80,000	
Commission		26,000
Rent		14,000
Wages	9,000	
Salaries	6,000	

Adjustments :

- (a) Commission received in advance Rs. 2,500
- (b) Rent due but not received Rs. 3,500
- (c) Wages outstanding Rs. 1,800
- (d) Salary prepaid Rs. 1,200
- (e) Depreciate Plant and Machinery by 10%.

Show the treatment of above adjustments in the final accounts.

42. Enter the following transactions in a three columnar cash book :

2021

July

- 01 . Started business with an investment of Rs. 9,000.
- 02 Deposited in Bank of India, Rs. 7,000.
- 04 Acquired a building by issuing a cheque of Rs. 5,000.
- 10 Paid the bill of the furniture by cheque Rs. 1,000.
- 15 Purchased Rs. 800 of merchandise by cheque.

2021

July

- 18 Withdrew Rs. 1,000 from the bank
- 20 Sold merchandise for Rs. 1,200.
- 22 Deposited Rs. 2,000 into the bank.
- 25 Bought merchandise Rs. 1,000.
- 26 Sold merchandise Rs. 1,500 by crossed cheque.
- 27 Paid Rs. 1,000 by cheque as the premium for insuring building against fire.
- 28 Paid freight Rs. 50.
- 30 Withdrew from bank for personal use Rs. 500.
- 31 Cleared electricity bill Rs. 90.
- 31 Paid to Mahesh Rs. 1,080 in full satisfaction by cheque. The firm owed to Mahesh Rs. 1,100 for goods purchased.
- 31 Received from Suresh a cheque for Rs. 1,480, in full satisfaction of the debt of Rs. 1,510.

43. Enter the following transactions in the appropriate special journals :

2021

January

- 1 Sold goods to Ramesh (Invoice No. 0275)
  - 5 Wooden Tables at Rs. 15,000 per Table
  - 10 Dining Tables at Rs. 25,000 per Dining Table
- Trade discount at 10%

2021

January

- 3 Ramesh returned 1 Wooden table and 2 Dining tables (Credit Note No. 025)
- 3 Cash Sales Rs. 50,000
- 2 Sold goods to Dinesan (Invoice No. 0276)  
50 Wooden chairs at Rs. 1200 per chair  
Trade discount at 5%
- 4 Sold to Hashim for cash:  
10 Steel Cabinets at Rs. 8,000 each
- 5 Joy wood works returned goods (Credit Note No. 026) :  
2 Wooden Tables @ Rs. 10,000 each  
Trade discount at 20%
- 6 Sold goods to George (Invoice No. 0277) :  
10 Steel Tables at Rs. 7,500 per table
- 6 Rahim Furniture Traders returned goods (Credit Note No.027) :  
5 Wooden Cabinets at Rs. 12000 each
- 10 Sold goods to Joy wood works (Invoice No. 0278) :  
10 Steel doors at Rs. 12,000 per door  
20 Aluminium windows at Rs. 5,000 per window

44. From the following balances, extracted from the books of Mr. Antony, prepare Trading and Profit and Loss Account for the year ended 31-3-2021 and a Balance Sheet as on that date :

	Dr. (Rs.)	Cr. (Rs.)
Purchases	6,42,800	
Capital Account		6,00,000
Computers	1,83,800	
Cash at Bank	40,000	
Cash in hand	28,360	
Sundry creditors		1,30,000
Bills payable		1,02,200
Furniture and fittings	15,400	
Rent	1,25,400	
Discount received		20,000
Commission received		2,00,000
Bills receivable	67,200	
Trade charges	9,200	
Sundry debtors	3,41,560	
Sales		6,07,200
Returns outwards		1,14,320
Drawings	52,000	
Rent due		3,200
Discount	5,400	
Wages	18,000	
Salaries	1,67,800	
Returns Inwards	10,000	
Opening stock	70,000	
	<u>17,76,920</u>	<u>17,76,920</u>

Adjustments :

- (a) Closing stock on 31-3-2021 was valued at cost Rs. 2,56,000 (Market value Rs. 2,62,000)
- (b) Depreciation on furniture and fittings shall be provided at 10% per annum.
- (c) Provide for doubtful debts at 5% on Sundry debtors.
- (d) Stationary charges Rs. 12,000 due on 31-3-2021.
- (e) No depreciation need to be provided for Computers as it had been purchased on 31-3-2021 and not put into use.

(2 × 15 = 30 Marks)

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