

ANNAI VIOLET ARTS AND SCIENCE COLLEGE
DEPARTMENT OF CORPORATE SECRETARYSHIP

CONTINUOUS INTERNAL ASSESSMENT – II (ODD SEM)
SUBJECT: Financial accounting

Class: I B.COM CS

Max.Marks: 75

Date: 7.11.22

Sub. Code: AY21A

PART A (10 × 2 = 20 Marks)
Answer any TEN questions

1. What is trading account?
2. What is gross profits?
3. What is profit&loss account?
4. What is balance sheet?
5. What is opening stock?
6. What is direct expenses?
7. What is meant by adjusting entries?
8. What is depreciation?
9. What is NSED?
10. What is self-insurance?
11. What is called standard turnover?
12. What is indemnity period?

PART B – (5 × 5 = 25 Marks)
Answer any FIVE questions

13. Distinguish between the trading account and profit and loss account?
14. Prepare trading account of suresh for the year ending 31.12.18 from the following information

| Particulars | Amount | Particulars | Amount |
|----------------|----------|------------------|-----------|
| Opening stock | 80,000 | Sales | 14,40,000 |
| Purchase | 8,60,000 | Purchase returns | 10,000 |
| Freight inward | 52,000 | | |

| | | | |
|-------------|--------|---------------|----------|
| Wages | 24,000 | Sales returns | 3,16,000 |
| Import duty | 30,000 | Closing stock | 1,00,000 |

15. From the following particulars prepare a receipts and payments account

| | | | |
|-----------------------|---------|------------------------|--------|
| Cash in hand | Rs 100 | Rent paid | Rs 400 |
| Cash at bank | Rs500 | General expenses | Rs 210 |
| Subscription received | Rs3,300 | Postage and stationery | Rs 70 |
| Donation received | Rs 260 | Sundry expenses | Rs 30 |
| Investment purchased | Rs 1000 | Cash balance at close | Rs 20 |

16. From the following information, prepare receipts and payment account for the year ending 31st march 2007 of Chennai sports club

| | | | |
|----------------------------|--------|---------------------------------|--------|
| Entrance fees | 500 | Periodicals and newspapers | 1,000 |
| Subscription collected | 2,000 | Miscellaneous Expenses | 400 |
| Salary paid | 1,000 | Tournament expenses | 2,000 |
| Donation for club pavilion | 20,000 | Furniture purchased | 1,000 |
| Rent paid | 880 | Salaries and rent outstanding | 300 |
| Cash in hand (Opening) | 1,000 | Construction of a club pavilion | 15,000 |

17. Explain the characteristics of non-profit organisation?
18. Distinction between receipts & payment account and income and expenditure account?
19. Explain the classification of receipts and payment account?

PART C – (3 × 10 = 30 Marks)
Answer ANY THREE questions

20. Prepare trading and profit and loss account from the information given below Calculate gross profits and net profits of Mr. Ravi

| Particulars | Amount | Particulars | Amount |
|----------------------|--------|-----------------------|--------|
| Opening stock | 3,600 | Factory rent | 400 |
| Purchase | 18,260 | Office rent | 500 |
| Wages | 3,620 | Sales returns | 700 |
| Closing stock | 4,420 | Purchase returns | 900 |
| Sales | 32,000 | General expenses | 500 |
| Carriage on purchase | 500 | Discount to customers | 360 |
| Carriage on sales | 400 | Interest from bank | 200 |

21. From the following trial balance of Mr. Hariharan as on 31st march 2015, prepare trading account and profit & loss account and balance sheet taking into account the following adjustments

| Debit balance | Amount | Credit balance | Amount |
|----------------------|--------|-----------------|--------|
| Land and building | 42,00 | Capital | 62,000 |
| Machinery | 20,00 | Sales | 98,780 |
| Patents | 7,500 | Return outwards | 500 |
| Stock on 1.4.14 | 5760 | Creditors | 6,300 |
| Debtors | 14,500 | Bills payable | 9,000 |
| Purchase | 40,675 | | |
| Cash in hand | 540 | | |
| Cash at bank | 2630 | | |
| Return inwards | 680 | | |
| Wages | 8480 | | |
| Fuel and power | 4730 | | |
| Carriage on sales | 3200 | | |
| Carriage on purchase | 2040 | | |
| Salaries | 15,000 | | |
| General | | | |

| | | | |
|-----------|----------|--|----------|
| expenses | 3000 | | |
| Insurance | 600 | | |
| Drawings | 5245 | | |
| | 1,76,580 | | 1,78,580 |

Adjustments:

- a) Stock on 31.3.15 was rs.6,800
- b) Salary outstanding rs.1,500
- c) Insurance prepaid rs.150
- d) Depreciation Machinery@10% and patents@20%
- e) Create a provision of 2% on debtors for bad debts

22. Prepare trading, profit&loss account and balance sheet 31.12.18 from the following information

| Particulars | Amount | Particulars | Amount |
|----------------------|--------|------------------------------|----------|
| Capital | 50,000 | Purchase | 2,20,000 |
| Bank overdraft | 8,400 | Sales | 3,01,000 |
| Furniture | 5,200 | Returns inwards | 5,000 |
| Business premises | 40,000 | Discount(cr) | 800 |
| Creditors | 26,600 | Taxes and insurance | 4,000 |
| Opening stock | 44,000 | Debtors | 36,000 |
| Rent from tenants | 2,000 | General expenses | 8,000 |
| Carriage on purchase | 3,600 | Salaries | 18,000 |
| Bad debt written off | 1,600 | Commission allowed | 4,400 |
| | | Provision for doubtful debts | 1,000 |

23. Explain the characteristics of single-entry system?

24. Explain the different methods of calculating depreciation?