(8 pages)

DECEMBER 2023 **U/ID 46508/UNC3A**

Time : Three hours Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define Ledger.
2. What is Trial Balance?
3. State the rules of accounting.
4. Specify the purpose of preparing profit and loss accounts.
5. What is adjustment entries?
6. Mention any two objectives of departmental accounts.
7. What is inter – departmental transfers?
8. Define depreciation.
9. Mention any two methods of depreciation.
10. Write a short note on Reserves.
11. What is single entry system?
12. List out any two features of single entry system.

SECTION B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions.

13. What are the accounting concepts and connections?

14. Prepare Trial Balance from the following :

	Rs.		Rs.
Capital	75,000	Interest (Cr.)	5,000
Sales	1,25,000	Loan	25,000
Stock	30,000	Bills payable	9,000
Debtors	40,000	Wages	3,000
Purchases	50,000	Bad debts	2,000
Salary	92,000	Cash	1,200

15. Prepare a trading and profit and loss account from the information given below :

	Rs.		Rs.
Opening stock	3,600	Rent (Factory)	400
Purchases	18,260	Rent (Office)	500
Wages	3,620	Sales return	700

	Rs.		Rs.
Closing stock	4,420	Purchases return	900
Sales	32,000	General expenses	900
Carriage on		Discount to customers	360
purchases	500	Interest from bank	200
Carriage on sales	400		

16. From the following particulars prepare departmental trading accounts.

	Department A Rs.	Department B Rs.
Opening stock	9,000	8,400
Purchases	27,000	21,600
Sales	42,000	36,000
Closing stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

17. Explain the merits and demerits of diminishing balance method of depreciation.

18. A machine was purchased on 1st July 2010 at a cost of Rs. 14,000 and Rs. 1,000 spent on its installation. The depreciation is changed at 10% on the straights line method. The books are closed on 31st December every year. The machine was sold for Rs.9,500 on 31st March 2013. Show the machinery account.

19. Calculate stock of the end :

	Rs.
Stock of the beginning	20,000
Cash sales	40,000
Credit sales	35,000
Purchases	50,000

Rate of gross profit on cost $33\frac{1}{3}$ %.

SECTION C — ($3 \times 10 = 30$ marks)

Answer any THREE questions.

20. Pass journal entries for the following transaction in the books of Kannan.

2017 Jan. 1 Kannan started business with Rs.50,000

5 Bought goods for cash Rs.30,000

7 Sold goods for cash Rs.25,000

10 Bought goods from Kalai Mathi Rs.20,000

12 Sold goods to Ravi Rs.10,000

15 Paid salaries Rs.10,000

18 Dividend received Rs.5,000

25 Paid Rent Rs. 2,000

21. From the following information, prepare a trading and profit and loss account for the year 2019 and a Balance Sheet as on that date :

	Rs.		Rs.
Salaries	5,500	Credit balances	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loan	10,000
Trade expenses	600		

	Rs.		Rs.
Purchases	25,000		
Advances	2,500		
Bank balance	5,600		
	81,500		81,500

Adjustments :

(a) Closing stock amount to Rs.9,000

(b) One month's salary is outstanding

(c) One month's rent has been paid in advance

(d) Provide 5% for doubtful debts.

22. From the following information, prepare departmental trading and profit and loss account of the three departments.

	Dept 'A' Rs.	Dept 'B' Rs.	Dept 'C' Rs.
Stock on 1.1.2016	4,00,000	3,40,000	9,40,000
Stock on 31.12.2016	3,30,000	4,38,000	8,17,000
Purchases	19,59,000	6,97,000	13,73,000
Sales	40,00,000	20,00,000	40,00,000
Wages	7,28,000	3,00,000	2,46,000

Goods were transferred from one department to another at cost price as follows :

(a) From 'B' to Dept 'A' Rs, 2,400 and to Dept 'C' Rs, 40,200

(b) From 'C' to Dept 'A' Rs, 25,800 and to Dept 'B' Rs, 18,000

(c) From 'A' to Dept 'B' Rs,3,000 and to Dept 'C' Rs, 24,000

Apportion equally :

	Rs.
Stationary	5,418
Postage	4,050
General expenses	2,37,618
Insurance	10,080
Depreciation	32,598

Rent and Taxes Rs.1,80,000 it to be split in the proportion to space occupied is Dept 'A' 4, Dept 'B' 2, Dept 'C' 2 and other space 2.

23. Explain the various methods of depreciation.

24. A position of a business man who keeps his books 2011 on single entry was as under on 31.12.2010 and 31.12.2011.

	2010 Rs.	2011 Rs.
Cash in hand	400	480
Cash at bank	6,000	2,500
Stock	6,500	5,000
Debtors	4,000	5,200
Furniture	300	350
Sundry Creditors	4,100	3,100

He withdrews Rs. 7,500 from business on 2.1.2011 out of which he spent Rs. 5,200 for purchase of a motor truck for the business,

Adjustments :

(a) Depreciation on furniture and truck at 10%

(b) Write off Rs. 200 as bad debts

(c) 5% provision for bad and doubtful debts is needed.

(d) Find out the profit or loss for the year.
