(6 pages)

MAY 2023 **U/ID 46508/UNC3A**

Time : Three hours Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define Accounting.

2. What is Trial Balance?

3. What do you mean by Balance sheet?

4. What is Trading account?

5. What do you mean by Capital expenditure? Give any two examples.

6. What is Profit and Loss account?

7. Who is called as creditors?

8. What is statement of affairs method?

9. Define Departmental Accounting.

10. State the meaning of direct expenses.

11. Write the meaning of Depreciation.

12. What do you mean by Written down value method?

PART B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions.

13. Journalise the following transactions

Mr. Govind commenced business with cash Rs. 1,00,000

Purchase of machinery Rs. 10,000

Sold goods for cash Rs. 20,000

Purchase goods for cash Rs. 25,000

Paid wages Rs. 12,000

14. Bring out the advantages of accounting.

15. From the following information, prepare trading account for the year ending 31.3.2010

Purchases Rs. 1,00,000

Opening stock Rs. 40,000

Purchase returns Rs. 2,000

Wages Rs. 10,000

Sales Rs. 2,00,000

Closing stock Rs. 50,000

Sales returns Rs. 5,000

Carriage inwards Rs. 3,000

16. What should be the basis of allocation for the following expenses under departmental accounts?

    (a) Labour welfare expenses

    (b) Insurance

    (c) Factory manager's salary

    (d) Carriage inward

    (e) Advertising

17. On 1.1.2010, X & Co., purchased machinery for Rs. 4.00,000. Depreciation is to be charged at 10% under diminishing balance method. on 31.12.2010, half of this machinery was sold for Rs. 1,21,000. Show the machinery account for the years 2010 and 2011.

18. From the following details find out profit or loss

    The opening capital of a trader was Rs. 15,000. During the year he withdrew Rs. 7,000 and additional capital introduced was Rs. 10,000. Calculate the profit, if the closing capital was Rs. 25,000.

19. What are the defects of single entry system?

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the advantages and limitations of accounting.

21. From the following Trial balance of Mr. Raja as on 31st March 2005, Prepare Trading and Profit and Loss account and Balance Sheet taking into account the adjustments:

Debit balances	Rs.	Credit balances	Rs.
Land and buildings	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Opening stock	5,760	Sundry creditors	6,300
Debtors	14,500	Bills payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return Inwards	680		
Wages	8,480		
Fuel and Power	4,730		
Carriage on sales	3,200		
Carriage on Purchases	2,040		

Debit balances	Rs.	Credit balances	Rs.
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		1,76,580

Adjustments:

(a) Stock on 31st March 2005 was Rs. 6,800

(b) Salary Outstanding Rs. 1,500

(c) Insurance Prepaid Rs. 150

(d) Depreciate machinery @ 10% and patents @ 20%

(e) Create a Provision of 2% on debtors for bad debts.

22. Explain the various methods and techniques of departmental accounting.

23. On 1.1.1996, a machinery was purchased for Rs. 2,50,000. On 1.6.1997 additions were made by purchasing machinery for Rs. 50,000. On 1.3.1998, another machinery was purchased for Rs. 32,000. On 30.6.1999, machinery of the original value of Rs. 40,000 on 1.1.1996 was sold for Rs. 30,000. Depreciation is charged at 10% on original cost. Show the machinery account for the years 1996 to 1999 closing the accounts on 31st December each year.

24. Rangan has keep his books under single entry system. His position as on 31.3.2004 and 31.3.2005 was as follows

	31.3.2004	31.3.2005
	Rs.	Rs.
Cash in hand	1,000	1,500
Cash at bank	15,000	10,000
Stock in trade	1,00,000	70,000
Debtors	42,500	85,000
Furniture	10,000	10,000
Machinery	75,000	75,000
Creditors	1,25,000	1,45,000

During the year 2004 – 05, he introduced Rs. 25,000 as additional capital and withdrew Rs. 5,000 per month Depreciate furniture by 5% and machinery by 10% per year. Ascertain profit for the year ended 31.3.2005 and prepare balance sheet as on the date.

———————