(7 pages)

MAY 2024 **U/ID 46508/UNC3A**

Time : Three hours Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define Journal.

2. What is accounting equations?

3. What do you mean by double entry system of book keeping?

4. What is trading accounts?

5. State the meaning of Gross Profit.

6. What is departmental accounting?

7. What are the advantages of preparing departmental accounts?

8. Define depreciation.

9. Mention the different methods of depreciation.

10. State any three causes of depreciation.

11. Define single entry system.

12. List out any two defects of single entry system.

PART B — $(5 \times 5 = 25$ marks)

Answer any FIVE questions.

13. Journalise the following transaction

2015 Jan 1	Commenced business with cash Rs. 50,000
2	Cash purchases Rs. 20,000
5	Cash sales Rs. 35,000
8	Cartage paid Rs. 1,500
10	Purchased machinery Rs. 10,000

14. What are the difference between journal ledger.

15. From the following information prepare balance sheet.

Sundry creditors Rs. 60,000

Bank overdraft Rs. 20,000

Capital Rs. 48,000

Salaries Rs. 30,000

Wages Rs. 50,000

Net profit 90,000

Interest Rs. 1,000

Sundry debtors Rs. 86,640

Cash in hand Rs. 2,060

Stock Rs. 90,000

Plant and Machinery Rs. 19,500

Business process Rs. 11,700

Furniture Rs. 9,000

16. The following purchases where made by a business houses having these departments.

Dept A – 200 Units	
Dept B – 1,400 Units	Total cost Rs. 5,100
Dept C – 400 units	
Stock on 1st January were	
Dept A – 100 units	
Dept B – 400 units	
Dept C – 60 units	
Sales were	
Dept A – 180 units @ Rs. 15 per unit Dept B – 1,500 units @ Rs. 18 per unit Dept C – 450 units @ Rs. 6 per unit	

The rate of gross profit is same in each case.

Prepare departmental trading account.

17. Explain the various methods of depriciation.

18. X Company purchased a machinery on 1st July 2010 for Rs. 85,000 and incurred Rs. 15,000 on its erection charges. Depreciation is written off as the rate of 10% under written down value method. The company closed their accounts 31st December each year. Show the furniture account upto 31st December 2012.

19. Deepika keeps her books on single entry system the items given below calculate the capital of the

	Rs.
Capital at the beginning	600
Profit	1,000
Drawings	2,000
Additional capital introduced	3,000
Capital at the end	?

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the different types of accounting convention.

21. The following trial balances is extracted from the books of Mr. Kumar on 31st December 2015.

Debit balance	Rs.	Credit balance	Rs.
Furniture	600	Capital	12,000
Motor Car	6,500	Discount	200
Buildings	7,500	Creditors	3,000
Insurance	300	Sales	15,000
Sundry debtors	3,800	Bank overdraft	3,000
Stock (1.1.2015)	3,500	Purchase return	200
Purchases	5,500	Commission	600
Sales returns	200		
Advertising	450		
Interest	200		
Cash	650		
Taxes	1,000		
General Expenses	800		
Salaries	3,000		

The following adjustments are to be made

(a) Closing stock on 31.12.2015 was Rs. 3,200.

(b) Depreciate building of 5%, furniture of 10% and Motor car at 20%.

You are require to prepare trading, profit and loss account and balance sheet for the year ending 31.12.2015.

22. Prepare departmental Trading profit and loss account of X, Y and Z depts. From the following details.

(a)	Closing Stock values are not overheads.			
(b)	Rate of G.P. on sales for X, Y and Z depts. And 40%, 30% and 20% respectively, before charging direct expenses.			
(c)	Indirect expenses are charged in proportion to sales.			
		X	Y	Z
(d)	Opening Stock	10,000	14,000	7,000
(e)	Purchases	12,000	13,500	9,700
(f)	Sales	20,000	18,000	16,000
(g)	Total indirect expenses Rs. 5,400		For all other depts including X, Y and Z.	
(h)	Total turnover Rs. 1,08,000			

23. On 1.1.2015 a machinery was purchased for Rs. 80,000. On 1.1.2016 additional were made the amount of Rs. 40,000. On 31.3.2017, machinery purchased on 1.1.2016 costing Rs. 12,000 was sold for Rs. 11,000 and on 30.6.2017, machinery purchased in 1.1.2015. Costing Rs. 32,000 was sold for Rs. 26,700. On 1.1.2017 additions were made to the amount of Rs. 20,000. Depreciation was provided as 10% per annum on the diminishing balance method. Show the machinery account for three years from 2015 to 2017 (Book closed on 31st December every year).

24. A small trader maintains accounts on single entry system. His assets and liabilities are as follows.

	1.1.2014	31.12.2014
	Rs.	Rs.
Cash	300	250
Cash at bank	3,500	4,800
Stock	5,000	6,200
Debtors	3,200	4,100
Furniture	1,250	1,500
Creditors	7,250	9,600

His drawings for the year cash Rs. 4,000, goods Rs. 400. Prepare a statements showing profit made by him.
