

UNDERGRADUATE (C.B.C.S.S.) EXAMINATION, OCTOBER 2016**Fifth Semester****Open Course—FUNDAMENTALS OF ACCOUNTING****(Offered by the BOS in Commerce)****[2013 Admission onwards]****Time : Three Hours****Maximum : 80 Marks***Answer may be written either in English or in Malayalam.***Part A***Answer all questions.**Each question carries 1 mark.*

1. What is Equity ?
2. Who is a Debtor ?
3. Explain Accounting Entity concept.
4. What is meant by Business transactions ?
5. What do you mean by Double-Entry Book-Keeping ?
6. What is Journalising ?
7. What is posting ?
8. What is Balancing ?
9. What do you mean by Trial Balance ?
10. What is Balance sheet ?

(10 × 1 = 10)**Part B***Answer any eight questions.**Each question carries 2 marks.*

11. Why Journal is called a book of original entry ?
12. Who are the users of accounting information ?
13. What is Special journal ? Name any four special journals.

Turn over

14. Explain the significance of different kinds of Accounts.
15. State the features of Trial Balance.
16. What is Accounting equation ? Explain.
17. Prepare a Trading account from the following :-
Purchases Rs. 57,400, Sales Rs. 1,05,000, Opening Stock Rs. 11,200, Closing Stock Rs. 14,800.
18. What is Petty cash book ? How is it maintained at Imprest system ?
19. Distinguish between Profit and Loss account and Balance sheet.
20. List the main objectives of Book-keeping.
21. What is Sales day book ? Give a proforma of it ?
22. Explain the terms :
(a) Capital expenditure and (b) Compound Journal entry.

(8 × 2 = 16)

Part C

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

23. Enter the following transactions in Sales day book :
May 5 Sold goods to Shaji Rs. 10,000
10 Sold Machinery Rs. 5,000
15 Sold goods to Anil Rs. 20,000
22 Sold goods to Anitha Rs. 12,000
24. Mention the difference between a Balance sheet and a Trial balance.
25. Briefly describe the objectives of Accounting.
26. Prepare a Cash Book from the following :

	Rs.
June 1 Balance of cash in hand	... 7,500
2 Sold goods for cash	... 2,100
3 Paid to Mohan	... 3,200
5 Purchased goods for cash	... 1,000
6 Paid rent	... 300
8 Received Commission	... 200
10 Purchased stationery for cash	... 130
15 Received from Hari	... 750
20 Paid salary	... 420

27. Prepare a Balance Sheet as on 31st December 2014 from the following figures in the order of liquidity :-

Bank overdraft Rs. 20,000, Cash in hand Rs. 60,000, Bills payable Rs. 40,000, Capital Rs. 12,00,000
Sundry Creditors Rs. 2,00,000, Sundry Debtors Rs. 2,50,000, Closing Stock Rs. 1,85,000,
Loan Rs. 1,60,000 Furniture Rs. 50,000, Plant and Machinery Rs. 4,00,000, Land and Building
Rs. 70,000, Goodwill Rs. 7,30,000 Net profit Rs. 60,000 Bills Receivables Rs. 50,000,
Investments Rs. 3,50,000.

28. Distinguish between Book-keeping and Accounting.
29. Explain the Dual aspect and Money measurement concept.
30. Prepare a Trial Balance from the following :

		Rs.			Rs.
Purchases	...	26,000	Wages	...	3,000
Salaries	...	4,000	Opening stock	...	6,000
Debtors	...	12,000	Creditors	...	8,000
Furniture	...	5,000	Machinery	...	10,000
Rent	...	3,000	Commission	...	2,000
Cash	...	5,000	Capital	...	20,000
Sales	...	44,000			

31. Write a short note on the following :

(a) Opening entry ; (b) Contra entry ; (c) Closing entry ; and (d) Adjusting entry.

(6 × 4 = 24)

Part D

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

32. What do you mean by Final accounts ? Why do we prepare final accounts ? Distinguish between Profit and Loss account and a Balance sheet.
33. Prepare financial statements from the following Trial Balance as on 30th June 2014 :

Particulars		Debit (Rs.)	Credit (Rs.)
Capital	...		40,000
Drawings	...	5,000	
Freehold premises	...	45,000	

Turn over

Particulars	Debit (Rs.)	Credit (Rs.)
Patent rights	20,000	
Machinery	15,000	
Fixtures and fittings	2,000	
Stock	18,000	
Sundry debtors and creditors	20,000	30,000
Purchases and sales	80,000	1,50,000
Carriage outwards	500	
Freight	4,500	
Manufacturing expenses	22,000	
Excise duty	10,500	
Salaries	20,500	
Stationery	4,500	
Trade expenses	1,800	
Cash in hand	700	
Discount		11,000
Bank loan		40,000
Bad debts	1,000	
	<u>2,71,000</u>	<u>2,71,000</u>

Closing stock is valued at Rs. 29,000.

34. Explain the advantages and disadvantages of Accounting.
35. From the following information prepare a cashbook with cash and bank columns and balance the same :

2014		Rs.
January 1	Balance of cash B/d	1,000
	Bank overdraft	3,000
2	sold goods for cash	6,000
3	Paid into bank	4,000
5	Gave cheque to sasi on account	2,000
9	Received from Anil, cheque	1,500
16	Rent paid by cheque	500
18	Sold goods for cash and banked the same	2,000
23	Sent to bank Anil's cheque for collection	1,500
26	Drawings from bank	400
30	Drew from bank for personal purpose	500
		(2 × 15 = 30)