

UNDERGRADUATE (C.B.C.S.S.) EXAMINATION, OCTOBER 2015**Fifth Semester****Open Course—FUNDAMENTALS OF ACCOUNTING**

(Offered by the BOS in Commerce)

[2013 Admissions]

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Part A***Answer all questions.**Each question carries 1 mark.*

1. What is accounting ?
2. Define book-keeping.
3. What is compound Journal entry ?
4. Explain the meaning of posting.
5. What is trial balance ?
6. What do you mean by closing entry ?
7. What is double entry ?
8. What is suspense account ?
9. What is petty cash book ?
10. What is trial balance ?

(10 × 1 = 10)

Part B*Answer any eight questions.**Each question carries 2 marks.*

11. What is ledger ? What are the different kinds of ledger ?
12. State the features of trial balance.
13. Ascertain cost of goods sold. Opening stock Rs. 5,000, Closing stock Rs.6,000, sales Rs.80,000 Purchases Rs. 55,000, Wages Rs. 5,000.
14. Distinguish between book-keeping and accounting.
15. Why cash book is called a journal and a ledger ?

Turn over

16. Journalise the following :—

Anil started business with cash Rs. 20,000, Furniture Rs.5,000 and Stock Rs.30,000.

17. What is purchase day book ? Give a specimen of it.
18. What are the objectives of preparing trial balance ?
19. State the principles of double entry.
20. What is a trading account ? Why is it prepared ?
21. Explain capital, drawings and Debtor.
22. What do you mean by contra entry ? List the transactions that lead to contra entries.

(8 × 2 = 16)

Part C

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

23. Record the following transactions in the books vimal :—

- 2014 January
- 1 Vimal started business with cash Rs. 10,000 and Furniture—Rs. 5,000.
 - 2 Paid into bank—Rs.3,000.
 - 5 Purchase from Ramu on credit—Rs.2,000.
 - 10 Sold goods to John—Rs. 3,000.
 - 18 Received from John—Rs. 1,000
 - 22 Bought goods for cash from Nimmy—Rs. 2,500.
 - 26 Paid to Ramu—Rs.1,000.
 - 31 Paid rent—Rs. 500.
 - 31 Paid salary—Rs. 300.

24. What are the advantages of double entry system of accounting ?
25. What do you mean by accounts ? Explain the different types of accounts.
26. What Journal? Why is journal sub-divided ?
27. Prepare a Trial Balance from the following :—

<i>Particulars</i>	<i>Amount (Rs.)</i>	<i>Particulars</i>	<i>Amount (Rs.)</i>
Audit fees	... 10,000	Live stocks	... 5,000
Legal charges	... 12,000	Loose tools	... 6,000
Stock	... 20,000	Trade marks	... 9,000
Sales	... 1,64,000	Purchases	... 80,000
Sales returns	... 2,000	Capital	... 72,000

<i>Particulars</i>	<i>Amount (Rs.)</i>	<i>Particulars</i>	<i>Amount (Rs.)</i>
Purchases returns ...	1,000	Drawings ...	8,000
Wages ...	20,000	General expenses ...	4,000
Carriage inwards ...	1,000	Sundry debtors ...	60,000
Sundry creditors ...	10,000	Carriage outwards ...	4,000
Advertising ...	4,000	Cash in hand ...	2,000

28. What do you mean by sub-division of Journal ? List the important subsidiary books.

29. Record the following transactions of Mr. Satheesh in his cash book :—

2013, April 1 Commenced business with cash—Rs. 50,000.

" 3 Bought machinery for cash—Rs. 3,000.

" 5 Cash purchases of goods—Rs. 6,000.

" 6 Cash received on sale—Rs. 4,000.

" 8 Received cash from Aravind—Rs. 1,600.

" 10 Paid to Rajan—Rs. 1,200.

" 15 Paid rent—Rs. 1,000.

30. Write a short note on the following :—

1 Debit Note ;

2 Compound Journal Entry ;

3 Journal Proper ;

4 Closing Entry.

31. What is Balance Sheet ? Why is it prepared ? Give a specimen of Balance sheet.

(6 × 4 = 24)

Part D

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

32. What are the basic concepts of financial accounting ? What is their importance ?

33. From the following particulars, prepare a petty cash book on the imprest system :—

2014 April 1 Received from chief cashier Rs. 500 under imprest system.

April 3 Bought stamps—Rs. 50

" 5 Cleaning charges—Rs. 50

" 6 Auto charges—Rs. 25

" 8 Printing charges—Rs. 35

" 10 Refreshments—Rs. 50

" 15 Telephone charges—Rs. 15

Turn over

April 18 Fax charges—Rs. 20

" 25 Photostat charges—Rs.25

" 28 Bus fare—Rs. 9

" 30 Bought ballpen—Rs.18

34. The following is the Trial Balance of Tiju timbers as on 31st December 2014.

<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Credit (Rs.)</i>
Capital ...		40,500
Purchases ...	45,000	
Purchases returns ...		3,000
Sales ...		72,000
Sales returns ...	2,000	
Stock ...	15,000	
Cash in hand ...	2,200	
Salaries ...	3,050	
Rent ...	1,250	
Commission ...		700
Discount earned ...		300
Wages ...	1,500	
Carriage on purchases ...	500	
Sundry creditors ...		6,000
Sundry debtors ...	9,000	
Machinery ...	3,000	
Furniture ...	10,000	
Land and buildings ...	30,000	
	<u>1,22,500</u>	<u>1,22,500</u>

Closing stock is valued at Rs. 21,000.

Prepare trading and Profit and Loss and Balance Sheet for the year ended 31st December 2014.

35. Enter the following transactions in a Three Column Cash Book :—

2015 Jan 1 Commenced business with cash—Rs. 20,000

" 2 Deposited into Bank—Rs.10,000

" 4 Received cash from Mohan Rs.950 in full settlement of a debt of—Rs.1,000

" 5 Purchased goods for cash—Rs. 10,000

" 6 Bought goods by cheque—Rs.15,000

" 7 Paid to Anil by cheque Rs.1,900 in full settlement of his account of—Rs.2,000.

" 8 Drew from bank for office use Rs.1,000

(2 × 15 = 30)