

UNDER GRADUATE (C.B.C.S.S.) EXAMINATION, OCTOBER 2014**Fifth Semester****Open Course—FUNDAMENTALS OF ACCOUNTING***(Offered by the Board of Studies in Commerce)*

Time : Three Hours

Maximum Weight : 25

*Answers may be written either in English or in Malayalam.***Section A***Answer all questions.**Each bunch of four questions carries a weight of 1.***I. Choose the correct answer from the choices given :****1 Capital is treated as liability because of :**

- | | |
|--------------------------|--------------------------------|
| (a) Dual aspect concept. | (b) Money measurement concept. |
| (c) Matching concept. | (d) Entity concept. |

2 Of the following, which should be debited :

- | | |
|-------------------------|----------------------------|
| (a) Decrease in assets. | (b) Increase in liability. |
| (c) Increase in asset. | (d) None of them. |

3 Book of original entry :

- | | |
|----------------------|--------------------|
| (a) Balance Sheet. | (b) Trial balance. |
| (c) Trading account. | (d) Journal. |

4 A credit note is sent by :

- | | |
|---------------|-------------------|
| (a) Seller. | (b) Buyer. |
| (c) Customer. | (d) None of them. |

II. Fill in the blanks :

- 5 Goods purchased on credit will be entered in _____.
- 6 Liabilities = Assets minus _____.
- 7 Bank Account is a _____ account.
- 8 Sales returns are also called _____.

Turn over

III. State whether the following statements are True or False :

- 9 If the trial balance agrees, there is no error.
- 10 Carriage inward and carriage outward both appear in trading account.
- 11 Sales book contains credit sales.
- 12 Manufacturing account shows the gross profit.

IV. Match the following :—

- | | |
|----------------------|-----------------------|
| 13 Trial Balance | (a) P & L Account. |
| 14 Salaries | (b) Personal Account. |
| 15 Outstanding wages | (c) Real Account. |
| 16 Cash Account. | (d) Opening stock. |
| | (e) Credit Note. |

(4 × 1 = 4)

Section B

*Answer any five questions.
Each question carries a weight of 1.*

- 17 What is bills receivable book ?
- 18 What is suspense account ?
- 19 What is posting ?
- 20 Define drawings account.
- 21 Define journal proper.
- 22 Define final accounts.
- 23 What is simple cash book ?
- 24 Define opening entries.

(5 × 1 = 5)

Section C

*Answer any four questions.
Each question carries a weight of 2.*

- 25 Journalise the following :

Sold goods to A for Rs. 5,500 of which received cash Rs. 2,000 and cheque Rs. 1,500.

- 26 Explain two accounting concepts.
- 27 Show with imaginary figures how interest on capital is treated in final accounts.

- 28 Prepare the provision for bad debts account with the following information :

Sundry debtors—Rs. 30,000

Bad debts—Rs. 2,000

Provision for bad debts (opening)—Rs. 2,800

Provision at 5 % on sundry debtors is maintained.

- 29 Prepare a trial balance from the following information :

	Rs.		Rs.
Cash	... 38,750	Capital	... 50,000
Purchases account	... 4,500	Creditors	... 2,000
Furniture	... 8,000	Debtors	... 1,000
Sales	... 3,000	Commission received	... 750
Rent paid	... 3,500		

- 30 From the following information find out the gross profit :

	Rs.		Rs.
Purchases	... 10,000	Wages	... 1,800
Carriage inward	... 500	Sales	... 16,000
Return outward	... 1,400		
Return inward	... 1,800		
Opening stock	... 4,600		
Closing stock	... 8,200		

(4 × 2 = 8)

Section D

Answer any **two** questions.

Each question carries a weight of 4.

- 31 From the following information prepare a three-column cash book :

2010

Jan. 1	Cash in hand	... 1,500
	Bank overdraft	... 850
4	Received cash from April after allowing discount Rs. 30	... 420
5	Paid into bank	... 1,420
8	Bought furniture by cash	... 250
12	Drew cheque for Paul (after deducting discount Rs. 30)	... 200
15	Received cheque from Balan (after allowing him discount Rs. 30) and paid into bank	... 470
20	Drew from bank	... 200
22	Goods purchased	... 180
26	Sales	... 460
31	Paid salaries	... 400

Turn over

32 Journalise the following transactions and prepare ledger accounts :

2011

Feb. 1	Vishnu started business with Cash	...	25,000
	and land and building worth	...	2,00,000
4	Purchased goods	...	5,000
10	Purchased goods from Ravi and Bros.	...	10,000
15	Sold goods to Arun	...	3,700
16	Sales	...	2,800
18	Withdrew from personal use	...	2,000
25	Cash received from Arun Rs. 3,500 in full settlement of his account.		
28	Paid rent Rs. 1,800 and salaries Rs. 1,000		

33 Prepare a trading and Profit and Loss Account and Balance Sheet :

Trial Balance

Debit balance	Rs.	Credit balance	Rs.
Cash in hand	700	Bills payable	4,100
Cash at Bank	2,500	Sales	39,600
Sundry debtors	10,000	Sundry creditors	7,800
Furniture	6,000	Capital	15,400
Bad debts	200	Miscellaneous income	100
Opening stock	8,500	Bank loan	8,000
Wages	1,700	Commission	200
Printing & Stationery	600		
Purchases	34,000		
Salaries	1,800		
Carriage inward	1,200		
Bills receivables	3,800		
Insurance premium	1,500		
Rent	1,800		
Interest	600		
Discount	300		
	75,200		75,200
Closing stock	19,000		

(2 × 4 = 8)