

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai - 600 044.

B.A. Economics - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - III

20UECAT3003 - Basic Financial Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Explain the various Accounting Conventions.
2. Prepare a bank reconciliation statement from the following data as on 31.12.2020.

	Rs.
a) Balance as per cash book	12,500
b) Cheque issued but not presented for payment	900
c) Cheques deposited in bank but not collected	1,200
d) Bank paid insurance premium	500
e) Direct deposit by a customer	800
f) Interest on investment collected by bank	200
g) Bank charges	100

3. Prepare trading and profit and loss account from the following information's:

Particulars	Rs.	Particulars	Rs.
Opening Stock	3,600	Rent (Factory)	400
Purchases	18,260	Rent (Office)	500
Wages	3,620	Sales Returns	700
Closing Stock	4,420	Purchase Returns	900
Sales	32,000	General Expenses	900
Carriage on Purchases	500	Discount to Customers	360
Carriage Sales	400	Interest from Bank	200

4. A company acquired a machine on 1.1.2018 at a cost of Rs.40,000 and spent Rs.1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31st December of each year. Show the Machinery A/c for 3 years.

Contd...

5. Mr. Mano keeps his books of accounts under single entry system. His financial position on 31.12.2020 and 31.12.2021 was as follows;

	2020 (Rs.)	2021 (Rs.)
Cash	9,860	800
Stock in trade	38,520	57,020
Plant & Machinery	54,420	61,000
Bills receivable	-	16,480
Sundry Debtors	24,840	43,940
Sundry Creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-	5,000

During the year he introduced additional capital of Rs.20,000

From the above particulars prepare a statement of profit and loss of Mr.Mano for the year ended 31.12.2021.

6. Prepare Trial Balance from the following ledger balance for the year ending 31.12.2020.

	Rs.		Rs.
Capital	50,000	Plant & Machinery	80,000
Sales	1,77,000	Purchases	60,000
Returns outward	750	Returns inward	1,000
Stock (1.1.2020)	30,000	Discount (Dr.)	350
Discount (Cr.)	800	Bank charges	75
Debtors	45,000	Creditors	25,000
Salaries	6,800	Carriage inwards	750
Wages	10,000	Carriage outwards	1,200
Bad debts provision	525	Rent and Taxes	10,000
Advertisement	2,000	Cash in hand	900
		Cash at Bank	6,000

7. Distinguish between Single Entry and Double Entry System.
8. What are the different methods of providing for depreciation?

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Explain the various Accounting Concepts.

Contd...

10. From the following particulars, ascertain the bank balance as per cash book of Swamy as at 31st March 2013.
- a. Credit balance as per pass book as on 31.3.2013 Rs.2,500.
 - b. Bank charges of Rs.60 had not been entered in the cash book.
 - c. Out of the cheques of Rs.3,500 paid into the bank, a cheque of Rs.1,000 was not yet credited by the banker.
 - d. Out of the cheques issued for Rs.4,500; cheques of Rs.3,800 only were presented for payment.
 - e. A dividend of Rs.400 was collected by the banker directly but not entered in the cash book.
 - f. A cheque of Rs.600 has been dishonoured prior to 31.3.2013, but no entry was made in the cash book.
11. From the following Trial Balance, Prepare Trading and Profit and Loss A/c and Balance Sheet.

Particulars	Rs.	Particulars	Rs.
Salaries	20,000	Creditors	50,000
Rent	25,000	Sales	3,00,000
Cash	50,000	Capital	1,50,000
Debtors	3,500	Loans	20,500
Trade expenses	6,000		
Purchases	60,000		
Advances	1,00,000		
Bank balance	50,000		
Buildings	2,06,000		
	5,20,500		5,20,500

Adjustments:

- a. Closing stock at the year-end was Rs.20,000.
 - b. Create 5% provision for discount on debtors.
 - c. Commission payable to the manager is 5% of the profit after charging such commission.
12. On 1st January 2016, machinery was purchased for Rs.2,50,000. On 1st June,2017 additions were made by purchasing a machinery for Rs.50,000. On 1st March 2018, another machinery was purchased for Rs.32,000. On 30th June 2019, machinery of the original value of Rs.40,000 on 1-1-2016 was sold for Rs.30,000. Depreciation is charged at 10% on original cost. Show the machinery account for the years 2016 to 2019 closing the accounts on 31st December each year.

Contd...

13. Mr. X has maintained his books by single entry method. From the following details calculate profit for the year and a statement of affairs at the end of the year. Rs.1,000 (Cost) furniture was sold for Rs.5,000 on 1.1.2018. 10% depreciation is to be charged on furniture. Mr. X has drawn Rs.1,000 p.m. Rs.2,000 was invested by Mr. X in 2018 as further capital.

	1.1.2018 (Rs.)	31.12.2018 (Rs.)
Stock	40,000	60,000
Debtors	30,000	40,000
Cash	2,000	1,000
Bank	10,000	5,000 (Overdraft)
Creditors	15,000	25,000
Outstanding Expenses	5,000	8,000
Furniture (Cost)	3,000	2,000

Bank balance on 1.1.2018 is as per cash book but the bank overdraft on 31.12.2018 is as per bank statement. Rs.2,000 cheques drawn in Dec. 2018 have not been encashed within the year.
