

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.Com. ISM - END SEMESTER EXAMINATIONS - NOVEMBER 2025

SEMESTER - I

25UBICT1001 - Financial Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Explain about accounting concepts and conventions.
2. Prepare final accounts with the help of following Trial Balance.

Particulars	Debit (Rs.)	Credit (Rs.)
Capital	-	4,250
Drawings	710	-
Machinery	950	-
Opening stock	1,460	-
Purchases and Sales	10,362	11,906
Purchase returns and Sales returns	210	291
General expenses	440	-
Rent	120	-
Rates	200	-
Apprentice premium	-	80
Bank overdraft	-	240
Bad debts	172	-
Debtors and Creditors	4,200	2,000
Cash in hand	48	-
Bad debts provision	-	105
Total	18,872	18,872

3. From the information given below prepare Trading Account.

	Rs.
Opening Stock	1,00,000
Purchases	1,50,000
Purchase returns	25,000
Direct expenses	10,000
Carriage inwards	5,000
Sales	4,00,000
Closing Stock	50,000

Contd...

4. Compute the closing bank balance with the help of Receipts and Payments Account.

Particulars	Rs.
Cash in hand on 1.4.2014	100
Cash at bank on 1.4.2014	500
Subscription received	3,300
Donation received	260
Investments purchased	1,000
Rent paid	400
General expenses	210
Postage	70
Sundry expenses	30
Cash in hand on 1.4.2015	20
Cash at bank on 1.4.2015	?

5. Give journal entries to rectify the following errors found in the books of Mr. Jayachandran & co.
- Rs.2,500 paid for furniture was debited to repairs account.
 - Carriage inward Rs.300 was posted to carriage outward.
 - Salary outstanding Rs.200 was not recorded in the books.
6. R owes S the following sums of money due from him on the dates stated:
 Rs.300 due on March 9, 2023.
 Rs.1,000 due on April 2, 2023.
 Rs.4,000 due on April 30, 2023.
 Rs.100 due on June 1, 2023.
 He wants to make the complete payment on 30.06.2023. Compute Average Due Date.
7. Describe the various methods of depreciation and their applications.
8. Compute insurance claims from the following facts assuming that the insurers met their liability under the policy on average basis. A trader's stock valued at Rs.80,000 was totally destroyed. The stock in the godown was insured for Rs.60,000 subject to average clause. The balance of stock left after fire, appeared in the books at Rs.48,000.

Contd...

Section C

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

9. Ascertain the correct journal entries for the transactions occurring in January 2025.

Date	Transactions
Jan, 1	Commenced business with cash of Rs.2,00,000, with goods Rs.2,00,000 and with buildings Rs.5,00,000
2	Purchased goods from A and Co. on credit Rs.3,00,000
3	Cash deposited into bank Rs.80,000
4	Purchased goods from B and Co. payment made through credit card Rs.5,000
5	Paid A and Co. through RTGS
6	Sold goods to C and Co. and cheque received Rs.50,000
7	Deposited the cheque received from C and Co. with the bank
8	Purchased goods from Z and Co. and paid through debit card Rs.12,000
9	Stationery purchased for and paid through net banking Rs.6,000
10	Income tax of Deri is paid by cheque Rs.10,000

10. Examine the Trial Balance of Ravi and draft the Trading, Profit & Loss Account and Balance Sheet as on December 31, 1993.

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank	4,500	
Cash	2,000	
Stock (1.1.93)	5,200	
Debtors	2,500	
Creditors		1,000
	66,000	66,000

Adjustments required:

- (a) Stock on 31.12.93 Rs.4,900 (b) Salaries outstanding Rs.300
(c) Rent Prepaid Rs.200 (d) Insurance prepaid Rs.90

Contd...

11. Compare the receipts and expenses to determine the surplus/deficit and prepare the Balance Sheet of the public school.

Debit balances	Rs.	Credit balances	Rs.
Buildings	2,50,000	Admission fees	5,000
Furniture and Fittings	40,000	Tuition and other fees received	2,00,000
Library Books	60,000	Creditors for suppliers	6,000
Investments @ 9%	2,00,000	Rent for the hall	4,000
Salaries	2,00,000	Miscellaneous receipts	12,000
Stationery	15,000	Government grants	1,40,000
General expenses	8,000	Capital fund	4,00,000
Annual sports expenses	6,000	Donation received for purchase of library books	25,000
Cash at bank	20,000	Sale of old furniture	8,000
Cash in hand	1,000		
	8,00,000		8,00,000

Fees yet to be received for the year is Rs.10,000. Salaries yet to be paid amount to Rs.12,000. Furniture costing Rs.15,000 was purchased on 1.7.2005. The book value of the furniture sold on 1.1.2005 was Rs.20,000. Depreciation is to be charged @ 10% p.a. on furniture and fittings, 15% on library books and 5% on buildings.

12. Explain the need and importance of preparing a Bank reconciliation statement.
13. A machine purchased on 1st July 1983 at a cost of Rs.14,000 and Rs.1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs.9,500 on 31st March 1986. Show the machinery account for all the years.
