

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2015 – 2016 and thereafter)**  
**SUBJECT CODE: 15CM/MC/AG15**

**B.Com. (A & F) DEGREE EXAMINATION NOVEMBER 2018**  
**ACCOUNTING AND FINANCE**  
**FIRST SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : ACCOUNTING - I**  
**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:**

**(10 x 2 = 20)**

1. What is conversion method?
2. Write short note on a) Short Sales b) Standing Charges
3. What are disclosure requirements in AS 1?
4. What is NRV and how it is calculated?
5. List out the advantages of using Enterprise Resource Planning.
6. A trader has insured his stock against fire. Subsequently, a fire accident destroyed a part of the stock which was valued, on the date of fire, at Rs.60,000. Stock was insured subject to Average Clause. Stock salvage was Rs.12,000. Stock was insured for Rs.36,000 calculate the claim.
7. Pass necessary adjustment entries for the following adjustments
  - a) Insurance unexpired is Rs.2,000
  - b) The Proprietor has withdrawn goods worth Rs.200 from stock.
8. Compute Gross profit ratio for the purpose of insurance claim from the following data:

Sales during the previous accounting year	Rs.10,00,000
Standing Charges	Rs.3,60,000
Net Profit	Rs.2,20,000
Standing Charges were insured only to the extent of	Rs.1,80,000.
9. From the following particulars, prepare a bank reconciliation statement as on 31.12.2003.
  - i. Balances as per Cash book Rs.2,28,800
  - ii. Three Cheques for Rs.22,500, Rs.3,740 and Rs.2,700 issued in Dec. were presented for payment in Jan.2004.
  - iii. Two Cheques of Rs.23,000 and Rs.3,700 were sent for collection but no collection was made during the year.
10. Find out profit from the following data

Capital at the beginning of the year	– Rs.8,00,000
Drawings during the year	– Rs.1,80,000
Capital at the end of the year	– Rs.9,00,000
Capital introduced during the year	– Rs.50,000

## SECTION – B

## ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. Explain the features of Computerized Accounting System.
12. Difference between Single Entry and Double Entry system
13. Prepare BRS from the following Particulars:
- Bank Balance as per pass book Rs.10,000
  - Cheque deposited into bank but no entry was passed in the cash book Rs.500
  - Cheques received and entered in cash book but not sent to bank Rs.1,200
  - Credit side of the bank column was cast short by Rs.200
  - Insurance premium paid directly by the bank under standing advice Rs.600
  - Bank Charges entered twice in cash book Rs.20
  - Cheque issued but not presented to the bank for payment Rs.500
  - Cheque received and deposited, entered twice in cash book Rs.1,000
  - Bills discounted dishonored not recorded in cash book Rs.5,000
14. A fire occurred on 01.09.2013 in godown of Mr.Mannan from the following particulars, find out claim to be lodged.  
Stock on 01.01.2013 Rs.25,300 ; Purchases from 01.01.2013 to the date of fire Rs.50,400  
Sales from 01.01.2013 to the date of fire Rs.1,56,000; Wages Rs.60,000. Goods taken by mannan at Cost Rs.2,500. The rate of gross profit on cost is 30%. Value of salvaged stock Rs.3,600
15. The Provision for Bad & Doubtful debts show a balance of Rs.1,600 on 1st January 2016. The Bad debts during the year 2016 amounted to Rs.600. The Sundry Debtors on 31<sup>st</sup> December 2016 are Rs.16,000. Create a Provision of 5% for Bad & Doubtful debts. Make necessary Journal and Ledger Entries and show the profit & Loss A/C and Balance Sheet.
16. Find out purchases and sales from the following details by making necessary accounts.

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening balance of debtors	30,000	Return inwards	2,000
Opening balance of Creditors	10,000	Return Outwards	3,000
Collection from debtors	1,60,000	Cash Purchases	6,000
Discount Received	2,500	Cash Sales	10,000
Bad Debts	1,000	Closing balance of debtors	35,000
Payment to creditors	14,000	Closing balance of Creditors	15,000
Discount allowed	1,500		

17. Mahesh a retail merchant commenced business with a capital of Rs. 12,000 on 1.1.2014. Subsequently on 1.5.2014 he invested further capital of Rs. 5,000. During the year he has withdrawn Rs. 2,000 for his personal use. On 31.12.2014 his assets and liabilities were as follows:

Cash at bank	Rs. 3,000
Debtors	Rs. 4,000
Stock	Rs. 16,000
Furniture	Rs. 2,000
Creditors	Rs. 5,000

Calculate the profit or loss made during the year 2014.

## SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. From the following information you are required to workout claim under the loss of profit insurance policy.

- a) Cover Gross Profit – Rs.2,00,000
- b) Indemnity Period – Six Months
- c) Damage due to a fire accident on 28<sup>th</sup> December accounting year ends on 31<sup>st</sup> December.
- d) Net profit plus all standing charges in the prior accounting year Rs.3,00,000
- e) Standing Charges uninsured Rs.50,000
- f) Turnover of the last accounting year was Rs.10,00,000, the rate of gross profit being 25%.
- g) The annual turnover, namely, the turnover for 12 months immediately preceding the fire Rs.10,40,000.
- h) As a consequence of fire, there was a reduction in certain insured standing charges at the rate of Rs.50,000 per annum.
- i) The standing turnover Rs.5,20,000.
- j) Increased cost of working during the period of indemnity was Rs.40,000.
- k) Turnover during the period of indemnity was Rs.2,00,000 and out of this turnover of Rs.1,60,000 was maintained due to increased cost of working.

19. A trader commenced business as a cloth merchant on 01.04.2016 with a capital of Rs.20,000. On the same day he purchased furniture & Fixtures for Rs.4000. from the following particulars obtained from his books which do not conform to strict double entry principles. You are required to prepare Trading and P&L A/c and Balance Sheet as on 31.03.2017.

	Rs.
Sales (including cash sales Rs.10,000)	25,000
Purchases (including Cash Purchases Rs.6,000)	20,000
Drawings	1,000
Salaries	2,400
Bad debts written off	200
Trade Expenses	800

The trader has used cloth worth Rs.600 for private purposes and gave Rs.1,000 to his son which are not recorded anywhere. On 31.03.2017 his debtors were worth Rs.7,000 and creditors were Rs.4,000. stock on that date was valued at Rs.8,000.

20. The following trial balance is extracted from the books of Mr.Rahul on 31<sup>st</sup> December 2016

Particulars	Rs. Dr.	Rs. Cr.
Furniture & Fittings	6,400	-
Motor Vehicles	62,500	-
Buildings	75,000	-
Capital	-	1,25,000

Bad Debts	1,250	
Provision for Bad Debts	-	2,000
Sundry Debtors	38,000	-
Sundry Creditors	-	25,000
Stock on 01.01.2016	34,600	-
Purchases & Sales	54,750	1,54,500
Bank Overdraft	-	28,500
Sales Return & Purchase Return	2,000	1,250
Advertising	4,500	-
Interest Account	1,180	-
Commission	-	3,750
Cash	6,500	-
Taxes & Insurance	12,500	-
General Expenses	7,820	-
Salaries	33,000	-
<b>TOTAL</b>	<b>3,40,000</b>	<b>3,40,000</b>

Adjustments:

- Stock in hand on 31.12.2016 was Rs.32,500.
- Depreciate building @ 5% , Furniture & Fittings @ 10% and Motor Vehicle @ 20%
- Rs.850 is due for interest on Bank Overdraft.
- Salaries Rs.3000 and Taxes Rs.1,200 are outstanding.
- Insurance amounting to Rs.1,000 is prepaid.
- One-third of the commission received is in respect of work to be done next year.
- Write off further Rs.1,000 as bad debts and Provision for bad debts is to be made equal to 5% on Sundry Debtors

You are required to prepare Trading, Profit & Loss A/c. for the year ending 31.12.2016 and a Balance sheet as on that date

21. On 15.09.2012, the premises of a concern were destroyed by fire. But sufficient records were saved from which the following particulars were obtained.

Stock at cost on 01.04.2011 Rs.73,500 ; Stock at cost on 31.03.2012 Rs.79,600

Purchases (less return) for the year ended 31.03.2012 Rs.3,98,000

Sales (less return) for the year ended 31.03.2012 Rs.4,87,000

Purchases (less return) from 01.04.2012 to 15.09.2012 Rs.1,62,000

Sales (less return) from 01.04.2012 to 15.09.2012 Rs.2,31,200

In valuing the stock for balance at 31.03.2012, Rs.2,300 had been written off certain stock which was a poor selling line. Having costed Rs.6,900. A portion of these goods was sold in June 2012 at a loss of Rs.250 on the original cost of Rs.3450. The remainder of this stock was now estimated to be worth the original cost. Subject to the above exception, gross profit has remained at uniform rate throughout. The stock salvage was Rs.5,800. show the amount of claim.

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