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Reg. No. | | | | | | | | |

I Semester B.Com.(A & F) Degree Examination, August - 2021

COMMERCE

Principles of Accounting

(CBCS - New Scheme 2019-20 Onwards Freshers)

Paper : 1.3

Time : 3 Hours **Maximum Marks : 70**

Instructions to Candidates :

Answers should be completely in English.

SECTION - A

Answer any **Five** questions . Each question carries **2** marks. **(5×2=10)**

1. a) Give the meaning of Convention of Conservatism.

b) Write any two objectives of preparing Trial Balance.

c) Write any two differences between Capital Expenditure and Revenue Expenditure.

d) Write the meaning of Depreciation and Amortisation.

e) What is Bills Receivable Book?

f) What is Account Current?

g) What is Royalty?

SECTION - B

Answer any **Three** questions. Each question carries **5** marks. **(3×5=15)**

2. On 30th June, 2020 bank column of the cash book showed balance of Rs. 12,000 but the pass book showed a different balance due to the following Reasons:

i) Cheques paid into the bank Rs. 10,000 but out of these only cheques of Rs. 6,500 credited by bankers.

ii) The receipts column of the Cash Book under cast by Rs. 300.

iii) On 29th June, a customer deposited Rs. 3,000 directly in the Bank Account but it was entered in the pass Book only.

iv) Cheques of Rs. 9,200 were issued of which Rs. 2,000 were presented for payment on 15th July.

v) Pass Book shows a credit of Rs. 350 as interest and a debit of Rs. 80 as bank charges.

Prepare Bank Reconciliation statement as on 30th June, 2020.

3. Rectify the following Errors :

a) Credit sale of goods Rs. 30,000 to Mr. Anees has been wrongly passed through the purchases Return Book.

b) Sales Day Book is under cast by Rs. 500.

c) Goods purchased for proprietor's use for Rs. 2,000 was debited to purchase account.

d) Goods returned from Rashi Rs. 10,000 were recorded as Rs. 1,000.

e) Goods purchased for proprietor's use for Rs. 3,000 was debited to purchase account.

4. The following is a summary of the receipts and issues of materials in a factory during the month of March 2020.

Date	Particulars	Quantity	Rate Per unit (Rs)
1	Received	2,500	10
5	Received	400	12
8	Issued	1,200	-
10	Received	200	14
12	Issued	1,000	-
23	Received	3,100	11
31	Issued	200	-

Prepare a statement showing the pricing of issues on the basis of **FIFO method.**

5. Harish has the following bills due on different dates. It was agreed to settle the total amount due by a single cheque payment. Find the Average Due date of the cheque.

Bill Amount (Rs.)	Due Date
6,000	05-03-2020
7,000	07-04-2020
5,000	17-07-2020
8,000	14-09-2020

SECTION - C

Answer any **Three** questions. Each question carries **15** marks. **(3×15=45)**

6. Pass Journal Entries of M/s Bhavani Traders, Delhi from the following transactions. Post them to the Ledger and prepare Trial Balance.

2020		**Rs.**
April 1	Commenced business with cash	1,50,000
April 8	Purchased goods from M/s. Hema Traders, Chandigarh	42,000
April 10	Cash Sales	30,000
April 14	Sold goods on credit to M/s. Gupta Traders, Kolkata	12,000
April 20	Received cash from Gupta Traders	5,000
April 25	Goods returned to Hema Traders	2,000
April 30	Cash Paid to Hema Traders	20,000

7. From the following trial balance of Shri Shankar, prepare his Trading and Profit and Loss Account for the year ended 31-03-2020 and a Balance sheet as on that date.

Trial Balance as on 31-03-2020

Sl.No.	Name of Account	L.F.	Debit (Rs)	Credit (Rs)
1	Stock on 1/4/2019		56,000	
2	Purchases and Sales		2,14,000	2,71,000
3	Drawings and capital		20,000	1,50,000
4	Factory Rent		3,000	
5	Carriage outwards		7,200	
6	Investments		10,000	
7	Salaries		38,000	
8	Sundry debtors and creditors		40,000	32,000
9	Buildings		50,000	
10	Insurance and taxes		8,000	
11	Commission			5,000
12	Purchases Returns			4,000
13	Cash in hand		28,000	
14	Bank overdraft			12,000
15	Discount Received			200
	Total		**4,74,200**	**4,74,200**

Adjustments:

1) Stock on 31/03/2020 valued at Rs. 62,000
2) Outstanding interest on Bank overdraft Rs. 1,000
3) Commission received but not earned Rs. 500
4) Appreciate building at 10%
5) Depreciate plant and machinery at 8%
6) Provide Interest on Capital @ 2%.

8. Write up a **Three Column Cash Book** from the following transactions.

Date	Details	Rs.
Dec.2020		
01	Commenced Business with cash	82,000
02	Paid into bank	13,000
10	Bought goods and paid by cheque	3,650
12	Bought Furniture for cash	6,800
13	Sold goods to Suresh	5,000
15	Sold goods for cash and deposited the same into the bank	4,600
16	Bought goods and paid by cheque	4,750
20	Bought stationery	150
22	Received cash from Suresh	1,980
	allowing him a discount of	20
26	Paid Chandra by cheque	4,000
28	Our cheque to Chandra returned dishonoured	
29	Drew cheque for salary	2,300
30	Drew cheque for personal use	1,600
31	Received cheque from Suresh in full settlement of his account	2,900

9. Glace Mining Company is engaged in working a coal mine. On April 1, 2015 it entered into an agreement with the owner of the land which provided for:

1. A Royalty of Rs. 22 per ton of coal raised.
2. A minimum rent of Rs. 52,000 per annum.
3. The Recovery of short working within a period of first 3 years.
4. The output during the First 4 years were:

Year	Output in tons
2015-16	2,000
2016-17	2,150
2017-18	2,500
2018-19	3,100

Pass Journal Entries in the books of Glace Mining Company for first 4 years.