

**FACULTY OF COMMERCE**  
**B. Com. (CBCS) I - Semester Examination, December 2024**  
**(Common for All Streams)**

**Subject: Financial Accounting – I**  
**Paper Code – DSC – 101**

Time: 3 Hours

Max. Marks: 80

**PART – A**  
**(Short Answer Type)**

Note: Answer any five questions.

(5 x 4 = 20 Marks)

1. Define the Double Entry System.
2. Explain the Debit Note and Credit Note
3. Classify the following Accounts into Personal, Real and Nominal.
  - (a) Capital (b) Goodwill (c) Bad Debts (d) Audit Fee (e) Outstanding Income
  - (f) Loan from Bank (g) Bill Receivable (h) Interest on Drawing
4. From the following balance prepare Ram's Trial Balance as on 31<sup>st</sup> March 2020 Sales Rs.35,000; Purchases Rs.25,000; Capital Rs.60,000; Sundry Debtors Rs.10,000 Furniture Rs.45,000; Sales Returns Rs.15,000; Drawings Rs.5000; Bill Payable Rs.5,000.
5. What do you mean by Contra Entry? Explain with example.
6. Explain the advantages of Bank Reconciliation Statement.
7. Rectify the errors in the following transactions.
  - (i) Rs.2,600 paid towards Purchase of Office Furniture is Debited to Purchase Account.
  - (ii) Insurance Premium paid was debited to Taxes Account Rs.120.
8. Pass necessary adjustment entries to the following
  - (i) Closing stock Rs.25,000 (ii) Outstanding Expenses Rs.1,400;
  - (iii) Prepaid Expenses Rs.250; (iv) Interest Accrued Rs.180.

**PART – B**

Note: Answer all the questions.

(5 x 12 = 60 Marks)

9. (a) Explain the advantages and limitations of Financial Accounting.  
 (OR)

(b) Journalise the following Transactions.

Date	Particulars	Rs.
2018		
March 1	Ravi Teja started business with cash	1,50,000
March 2	Paid into Bank	60,000
March 3	Bought Goods for Cash	52,000
March 5	Goods Sold to Venket Das	48,000
March 8	Received from Venket Das Rs.47,200 and allowed him discount Rs.800	
March 9	Goods Purchased from Kumar	22,000
March 12	Paid to Kumar Rs.21,400 in full settlement of account	
March 15	Received Commission	1,100
March 18	Plant Purchased	80,000
March 31	Rent Outstanding	12,000

10. (a) What do you mean by Subsidiary Books? Explain different types of Subsidiary Books with their respective formats.

**(OR)**

(b) Enter the following transactions in a Three Column Cash Book of Manikanta.

Date	Particulars	Rs.
2021		
June 1	Cash in Hand	730
	Balance of Bank	9,200
June 3	Received cheque from Raju with discount Rs.32	868
June 5	Paid for Advertising by cheque	300
June 6	Sales	500
June 8	Paid Salaries	650
June 9	Amount withdrawn from Bank for office use	800
June 10	Drawn cash for personal use	400
June 12	Issued Cheque in favour of Laxman Rao. Discount received Rs.50	790
June 16	Received cheque from Dinesh and discount allowed Rs.26	986
June 20	Sales of Machinery, Received Cheque	4000
June 22	Bank returns cheque of Dinesh which is dishonoured	-
June 30	Bank Charges as per Pass Book	20

11. (a) On 31<sup>st</sup> March 2017, the Cash Book of affirm showed a Bank balance of Rs.8,000. From the following information, prepare Bank Reconciliation Statement, showing the Balance as per Pass Bok:

- Cheques have been issued for Rs.25,000 out of which Cheques worth Rs.2,000 Only were presented for payment.
- Cheques worth Rs.700 were deposited on 28<sup>th</sup> March but had not been credited by the Bank. One cheque for Rs.250 was entered in the Cash Book on 30<sup>th</sup> March but was banked on 3<sup>rd</sup> April 2017.
- A cheque from Mohan for Rs.200 was paid in on 26<sup>th</sup> March but was dishonoured and the advice was received on 2<sup>nd</sup> April, 2017.
- Pass Book showed Bank Charges Rs.12 debited by the Bank. It also showed Rs.750 collected by the Bank as Interest.
- One of the Debtors deposited a sum of Rs.550 in the account of the firm on 20<sup>th</sup> March. Intimation in this respect was received from the Bank on 2<sup>nd</sup> April 2017.

**(OR)**

(b) From the following information prepare Mr. Mohan's Bank Reconciliation Statement as on 31<sup>st</sup> October, 2021.

- Bank Overdraft as per Pass Book Rs.16,500.
- Cheques issued but not presented for payment Rs.12,000.
- Cheques recorded in the Cash Book but not sent to the Bank for collection Rs.5,000
- Cheques deposited in the Bank but not collected Rs.15,000.
- Sridevi directly deposited in the Bank Rs.7,500.
- Bank Charges debits in Pass Book only Rs.500.
- Premium on Life Policy of Mr. Mohan paid by the Bank on standing advice Rs.400.

12. (a) On 1<sup>st</sup> January 2015 a Machine was purchased for Rs.40,000, on 1<sup>st</sup> April, 2016 another Machine was purchased and Installed for Rs.30,000, on 31<sup>st</sup> December, 2018 half of the First Machine was sold for Rs.600; Depreciation was charged @ 10% per annum on Diminishing Balance Method.

Prepare Machinery Account for the year ended 31<sup>st</sup> December, 2018.

(OR)

(b) Explain briefly about the Capital and Revenue Expenditure. Distinguish between Capital Expenditure and Revenue Expenditure.

13. (a) From the following details prepare Final Accounts of Naveen & Co., for the year ended 31<sup>st</sup> March, 2021.

Particulars	Rs.	Particulars	Rs.
Capital	1,00,000	Furniture	15,000
Cash in Hand	1,200	Plant & Machinery	60,000
Purchases	1,20,000	Sales	2,00,200
Bill Payable	22,000	Bill Receivable	20,000
Stock (1/04/2020)	35,000	Rent, Taxes	10,000
Debtors	50,000	Wages	16,000
Creditors	24,000	Reserve for Bad Debts	1,000
Salaries	20,000		

Additional Information:

(i) Stock on 31<sup>st</sup> March, 2021 Rs.40,000;  
 (ii) Outstanding Rent Rs.2,000, Wages Rs.3,000 and Salaries Rs.4,000.  
 (iii) Provide Depreciation on Plant and Machinery at 5% on furniture at 10%;  
 (iv) Increase Reserve for Bad Debts on Debtors to 2 1/2 %.

(OR)

(b) The following is the Trial Balance of M/s ABC agencies as on 31<sup>st</sup> March 2019.

Prepare Trading and profit & loss A/c for the year ended 31<sup>st</sup> March 2019 and Balance Sheet as on that date:

Debit Balance	Rs.	Credit Balance	Rs.
Drawings	18,000.00	Capital	1,00,000.00
Buildings	15,000.00	Loan from Ashok @12%	15,000.00
Furniture & Fittings	7,500.00	Sales	100,000.00
Motor Van	25,000.00	Commission Received	4,500.00
Interest Paid to Ashok	900.00	Sundry Creditors	10,000.00
Purchases	75,000.00	Interest	3,000.00
Opening Stock	25,000.00		
Establishment Expenses	15,000.00		
Wages	2,000.00		
Insurance	1,000.00		
Sundry Debtors	28,100.00		
Bank Balance	20,000.00		
	<b>2,32,500.00</b>		<b>2,32,500.00</b>

Adjustments:

(i) The value of Stock on 31<sup>st</sup> March 2019 was Rs.32,000.  
 (ii) Outstanding Wages Rs.500. (iii) Prepaid Insurance Rs.300.  
 (iv) Commission received in advance Rs.1300. (v) Allow Interest on Capital @ 10%.  
 (vi) Depreciate Buildings @ 5%, Furniture & Fittings @ 10% and Motor Van @10%.  
 (vii) Charge Interest on Drawings Rs.500.