

**B.A./B.Sc./B. COM./B.C.A./ DEGREE END SEMESTER EXAMINATION – OCT. 2020: JAN. 2021****SEMESTER – 5: COMMERCE & BBA (OPEN COURSE)****COURSE: 15U5OCCOM1 – FUNDAMENTALS OF ACCOUNTING**

*(Common for Regular 2018 admission and Improvement 2017/ Supplementary 2017/2016/2015 admissions)*

Time: Three Hours

Max. Marks: 75

**SECTION A**

***Answer all questions. Each question carries 2 marks.***

1. Define accounting.
2. What are liabilities?
3. What do you mean by journalising?
4. What is accounting equation?
5. What do you mean by a ledger?
6. What is imprest system?
7. Name the statement prepared at the end of an accounting period used to verify the equality of debits and credits.
8. What is a bad debt?
9. What do you mean by trade discount?
10. What is the main purpose of balance sheet? (2 x 10 = 20)

**SECTION B**

***Answer any FIVE questions. Each question carries 5 marks.***

11. Find out owner's equity from the following figures: fixed assets Rs.30,000; Loans from Bank Rs.10,000; Cash in hand Rs.20,000; Sundry Creditors Rs.20,000; Sundry Debtors Rs.25,000; Stock Rs.25,000. Current liabilities Rs.20,000.
12. Journalise the following transactions:  
2019 April 1. Started business with cash Rs.90,000
  5. Purchased machinery for cash Rs.10,000
  6. Opened a bank account by depositing Rs.5,000 in a bank.
  10. Purchased goods for cash Rs.10,000
  15. Sold goods to M Mohan on credit Rs.20,000
13. Briefly describe the classification of Ledger Accounts.
14. What are the main items appearing on the debit side of a Trading Account?
15. Prepare a trial balance as on 31st March 2020 from the following figures: Cash Rs.32,000; Plant and machinery Rs.40,000; Sales Rs.60,000; Sundry Debtors Rs.20,000; Salary and Wages Rs.5,000; Telephone expenses Rs.3,000; Purchases Rs.30,000; Capital Rs.70,000.
16. Explain the money measurement concept.

17. The following figures are taken from the trial balance of a firm. Show how these items will be shown in the Profit and Loss Account and balance Sheet:  
Sundry Debtors Rs.40,000; Bad Debts Rs.3,000. Provision for Doubtful Debts is to be created at 5% on Sundry Debtors. (5 x 5 = 25)

### SECTION C

**Answer any THREE questions. Each question carries 10 Marks.**

18. Explain the following terms: (1) Accounting entity Assumption (2) Going Concern Assumption (iii) Matching Principle (4) Conservatism Principle
19. Prepare a Petty Cash Book from the following figures.  
Imprest money Rs.1,000.  
During the month of June 2019 the following transactions took place:  
June 1 Purchased postage stamps Rs.200.  
June 5 Paid telephone expenses Rs.400  
June 10 Snacks for visitors Rs.100  
June 15 Paid auto charges (conveyance) Rs.120  
June 20 Paid Bus fare Rs.50
20. The following is the Trial balance of R Raju as on December 31, 2019.

Debit balances	Amount in Rs	Credit Balances	Amount in Rs
Purchases	20,000	Sales	30,000
Sales Returns	3,000	Purchase returns	2,000
Carriage Inwards	2,000	Sundry Creditors	15,000
Wages and Salaries	6,000	Payables	10,000
Sundry expenses	5,000	Capital	4,000
Sundry Debtors	10,000		
Drawings	1,000		
Cash at bank	14,000		
Total	61,000	Total	61,000

Closing stock as on 31st December 2019 was Rs.10,000.

Prepare a Trading Profit and Loss Account and Balance Sheet as on 31st December 2019.

21. Post the following transactions in the ledger accounts of Mr. Y and balance it. Ignore day books.

2019 December		Amount in Rs
1	Cash in Hand	6,000
4	Sold goods for cash	10,000
7	Purchased goods for cash	5,000
9	Purchased machinery for cash	8,000
12	Purchased goods on credit from Mohan & Co	7,000
16	Sold goods to M Meera on credit	9,000
25	Received from M Meera cash Rs.9000	
31	Paid salaries in cash	2,000

22. From the following balances prepare a Trading and Profit and Loss Account and a Balance Sheet for the year ending December 31, 2019.

Debit balances	Amount in Rs	Credit Balances	Amount in Rs
Factory lighting	7,000	Sales	1,00,000
Purchases	60,000	Returns	4,000
Manufacturing Expenses	35,000	Capital	1,20,000
Carriage on goods purchased	9,000		
Carriage on Sales	5,000		
Cash in Hand	12,000		
Sundry Debtors	40,000		
Machinery	50,000		
Returns	6,000		
	2,24,000		2,24,000

#### Additional Information

Closing stock as on 31st December 2019 was Rs.30,000.

Provide depreciation on machinery at 10%.

Create a provision for doubtful debts at 5% on Sundry Debtors.

(10 x 3 = 30)