

Transactions for the month of April :

	Rs.
Credit purchases	- 20,500
Credit sales	- 22,700
Return inwards	- 400
Return outwards	- 600
Cash received from customers	- 25,000
Discount allowed to customers	- 550
Cash paid to creditors	- 30,700
Discount received from creditors	- 670
Acceptance received from debtors	- 8,500
Creditors bills accepted	- 12,000
B/R returned dishonoured	- 1,200
B/P returned dishonoured	- 3,000
Bad debts written - off	- 2,500
Sundry charges debited to customers	- 345
Allowances from creditors	- 275

Register Number :

Name of the Candidate :

6 7 1 9

**B.Com. (Computer Applications)
DEGREE EXAMINATION, 2008**

(FIRST YEAR)

(PART - III)

(PAPER - I)

530. ELEMENTS OF ACCOUNTANCY

December]

[Time : 3 Hours

Maximum : 100 Marks

SECTION - A (5 × 8 = 40)

Answer any FIVE questions.

ALL questions carry equal marks.

1. What is 'Book - Keeping' ? Distinguish it from accounting.
2. What is an 'Income and Expenditure account' ? Enumerate the steps required in its preparation.

Turn over

3. State the differences between joint venture and consignment.
4. Describe the procedure for computation of claims under 'Loss of Profits' policy.
5. Mala purchased goods for Rs. 3,000 from Kala on 1-4-2008. Mala accepted a three months bill for the amount and gave it to Kala on the same day. Kala discounted it immediately with Indian Bank at discount of 5 % p.a. On the due date, the bill was honoured by payment.

You are required to give entries in the books of all the parties.

6. Anbu owes Sudhakar the following sums of money due on the dates stated :

Rs. 400, due on 5th January, 2008.

Rs. 200, due on 20th January, 2008.

Rs. 800, due on 4th February, 2008.

Rs. 100, due on 26th February, 2008.

Rs. 50, due on 10th March, 2008.

Find out average due date.

Rs.

March - 5 Bought goods from Sohan - 1,000

March - 13 Issued a bill payable to
Sohan at 2 months - 500

April - 10 Sold goods to Sohan - 1,500

April - 20 Received cash
from Sohan - 1,000

May - 15 Sold goods to Sohan
due end of June - 1,200

June - 15 Received cash
from Sohan - 300

12. From the following particulars extracted from the books of M/S. Krishnan & Company, who keeps a sales ledger and bought ledger on the self balancing system. Show how the various adjustment accounts will appear in each of the ledgers.

Rs.

Debtors balance (1-4-2007) - 45,750

Creditors balance (1-4-2007) - 54,900

Turn over

Rs.

Materials supplied by A - 5,000

Material supplied by B - 4,000

Architect's fees paid by A - 2,000

The contract was completed and the price (cash and shares) duly received. The joint venture was closed by 'A' taking up all the shares of the company at an agreed valuation of Rs. 16,000 and 'B' taking up the stock of materials at an agreed valuation of Rs. 3,000.

Show the necessary ledger accounts.

11. Mohan has the following transactions with Sohan for the period from 1st January to 30th June. Make out an account current to be rendered by Mohan on 30th June, calculating interest @ 5 % p.a. :

Rs.

January - 1 Balance due by Sohan - 1,300

January - 2 Sold goods to Sohan - 1,600

February-15 Received cash from
Sohan - 2,500

7. From the following details, prepare the account sales :

Consignor : Ajantha cycles Ltd., Haryana.

Consignee : Sri Ram cycles, Chennai.

Consignment : 100 cycles @ Rs. 1,200 each.

Sales : 50 cycles @ Rs. 1,400 each.
20 cycles @ Rs. 1,500 each.

Consignee's expenses :

Freight and cartage - Rs. 5,000

Godown rent - Rs. 2,000

Other expenses - Rs. 1,000

Consignee's commission - 10 %.

8. A lease of land was acquired on 1st January, 2004 at a cost of Rs. 30,000. It was decided to depreciate it under the annuity method at 5 % interest. Annuity tables show that at 5 % Re. 1 over 5 years is equivalent to Re. 0.230975 annually. Write up the lease account for 5 years.

Turn over

SECTION - B (3 × 20 = 60)

Answer any *THREE* questions.

All questions carry equal marks.

9. From the following trial balance of Thiru. Rehman as on 31-March, 2008, prepare trading and profit and loss account and balance sheet after taking into account the adjustments :

Debit balances	Rs.	Credit balances	Rs.
Land and buildings	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Stock 1-4-2007	5,760	Sundry creditors	6,300
Sundry debtors	14,500	Bills payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel and power	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		1,76,580

Adjustments :

- Stock on 31-3-2008 was Rs. 6,800.
- Salary outstanding Rs. 1,500.
- Insurance prepaid Rs. 150.
- Depreciate machinery @ 10 % and patents @ 20 %.
- Create a provision of 2 % on debtors for bad debts.

10. A and B doing business separately as building contractors, undertake jointly to construct a building for a newly started joint stock company for a contract price of Rs. 1,00,000 payable as to Rs. 80,000 by instalments in cash and Rs. 20,000 in fully paid shares of the company' A bank account is opened in their joint names, A, paying Rs. 25,000 and B, Rs. 15,000. They are to share profits and losses in the proportions of 2/3 and 1/3 respectively. Their transactions were as follows :

Rs.

Paid wages - 30,000

Bought materials - 70,000

Turn over

13. Fire occurred in the premises of X - Ltd. on 10-10-2008. All stocks were destroyed except to the extent of Rs. 6,200. From the following figures, ascertain the loss suffered by the company :

	Rs.
Stock on 1-1-2007	- 36,000
Purchases less returns (during 2007)	- 1,45,000
Sales less returns (during 2007)	- 2,00,000
Stock on 31-12-2007	- 22,500
Purchases less returns during 2008 upto the date of fire	- 1,46,000
Sales less returns during 2008 upto the date of fire	- 1,89,000

It was the practice at the firm to value stocks at cost less 10 %. Early in 2008, prices were raised by 5 %.

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