

Register Number :

Name of the Candidate :

1 2 0 4

B.Sc. DEGREE EXAMINATION, 2010

(MATHEMATICS)

(FIRST YEAR)

(PART - III - B : ANCILLARY)

550. ACCOUNTANCY - I

May]

[Time : 3 Hours

Maximum : 75 Marks

SECTION - A (6 × 5 = 30)

Answer any SIX questions.

All questions carry equal marks.

1. What is double entry system ? Explain its principles.
2. Define 'ledger'. Why is it known as the principal books of accounts ?
3. What do you understand by 'trial balance'? Discuss its main objects.

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4. What are subsidiary books ? Name them.
5. Explain 'business entity concept' and 'money measurement concept'.
6. What is a bank reconciliation statement ? State the causes of the difference in balances between pass book and cash book.
7. Explain 'rectification of errors'. Why is it necessary ?
8. What are adjusting entries in final accounts ? Why are they needed ?
9. State the different methods of providing depreciation.
10. Write short notes on :
 - (a) Account current.
 - (b) Average due date.

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14. A machinery was acquired on 1st January, 2004 at a cost of Rs. 40,000. The life of the machinery was 5 years. It was decided to establish a depreciation fund to provide funds for replacement. Investments are expected to yield a net 5% interest. Sinking fund tables show that Re. 0.180975 invested annually at 5% produces Re.1 in five years. Prepare a depreciation fund account and depreciation fund investments account for 5 years.

13. Pass journal entries to rectify the following errors :

1. Rs. 1,000 spent to repair the building was posted to buildings account.
2. A sale of Rs. 730 to Mohan was entered in the sales book as Rs. 370.
3. Goods worth Rs. 300 purchased from Gandhi was omitted to record in the books.
4. Rs. 400 paid as salary to Prakash was debited to his personal account.
5. Rs. 75 discount received was debited to discount account.
6. The total of sales book has been added Rs. 100 much.
7. Sales to Murugan Rs. 2,000 was wrongly debited to Mugudan account.

SECTION - B (3 × 15 = 45)

Answer any THREE questions.

All questions carry equal marks.

11. From the following list of balances, prepare the trading and profit and loss account for the year ended 31st December, 2008 and a balance sheet on that date after taking the adjustments :

	Rs.
Doss's capital	60,000
Land & buildings	36,000
Printing & stationery	600
Rent & rates	800
Insurance	400
Sales	62,000
Fuel & power	1,700
Debtors	21,000
Sales returns	1,500
Commission received	400

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	Rs.
Bills receivable	1,000
Cash	2,000
Drawings	2,000
Salaries	6,000
Wages	2,000
Purchases	40,000
Stock at the beginning	10,000
Carriage	400
Loan borrowed	5,000
Creditors	10,000
Purchase returns	1,200
Furniture	2,000
Discount (Dr.)	1,200

Adjustments :

1. Closing stock was Rs. 12,000.
2. Interest on capital 5%.

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3. Insurance prepaid Rs. 100.
4. Outstanding wages Rs. 400 and salaries Rs. 250.
5. Commission receivable Rs. 200.
6. Write-off bad debts Rs. 1,000 and create a provision for bad debts at 5 %.
7. Depreciation on machinery 10 % and furniture 5 %.

12. Mr. Asokan accepted the following bills drawn by Akbar. Find out the average due date.

Date of bill	Terms	Amount Rs.
15-1-2008	2 months	5,000
18-1-2008	1 month	2,500
3-2-2008	2 months	8,000
15-2-2008	3 months	2,000

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