

12. From the following particulars, prepare a Bank Reconciliation Statement as on 31st March, 2008.

On 31st March 2008, a merchant's pass book showed a credit balance of Rs. 5,400. A Comparison of entries with the cash book revealed that he had paid in cheques for Rs. 600 on 29th March out of which cheques amounting to Rs. 240 were credited in the pass book on 2nd April 2008. He had issued cheques of Rs. 1,500 before 31st March but cheques amounting to Rs. 515 were debited to his account on 3rd April 2008. There was a debit in the pass book of Rs. 300 for bank charges and a credit of Rs.25 for interest on savings account which were not recorded in the cash book.

13. A company has acquired a lease of cinema building for a term of 5 years by payment of Rs. 50,000. It is proposed to depreciate the lease by annuity method by charging 5% interest per annum. Show the lease account during the period of lease.

Register Number :

Name of the Candidate :

5 2 3 1

B.Sc. DEGREE EXAMINATION, 2008

(MATHEMATICS)

(FIRST YEAR)

(PART - III - B - ANCILLARY)

550. ACCOUNTANCY - I

December]

[Time : 3 Hours

Maximum : 75 Marks

SECTION - A (6 × 5 = 30)

Answer any SIX questions.

All questions carry equal marks.

1. Define Accounting.
2. What is Double Entry System ?
3. What are Subsidiary Books ?
4. Explain "Trial Balance".

Turn over

5. What is the need for preparing financial statements?
6. What is a compensating error? Give two examples.
7. How will you treat income received in advance and accrued incomes in final accounts?
8. Explain the meaning of "Red ink interest" in Account Current.
9. Why depreciation is provided for fixed assets?
10. State any two merits and demerits of straight line method of depreciation.

SECTION - B (3 × 15 = 45)

*Answer any THREE questions.
All questions carry equal marks.*

11. The following are the balances extracted from the books of Mr. Siva as on 31st March 2008. Prepare Trading and Profit and Loss Account for the year ending 31st March 2008 and a Balance Sheet as on that date.

TRIAL BALANCE AS ON 31-03-2008.

Debit Balance	Rs.	Credit Balance	Rs.
Drawings	4,000	Capital	20,000
Cash at Bank	1,700	Sales	16,000
Cash in hand	6,500	Sundry	
Wages	1,000	creditors	3,000
Purchases	2,000	Bills Payable	1,500
Stock 1.4.2007	6,000		
Buildings	10,000		
Sundry Debtors	4,400		
Bills receivable	2,900		
Rent	450		
Commission	250		
General			
Expenses	800		
Furniture	500		
	40,500		40,500

The following adjustments are to be made :

- (i) Stock on 31.03.2008 Rs. 4,000.
- (ii) Interest on capital at 6% p.a.
- (iii) Interest on Drawings at 5% p.a.
- (iv) Wages yet to be paid Rs. 100.
- (v) Rent prepaid Rs. 50.
- (vi) Depreciation on furniture at 10% p.a.

Turn over

Reference to the annuity table shows that the amount for Re 1, for 5 years at 5% is Re 0.230975. Make the calculations to the nearest rupee.

14. On 1st January, 2008, the amount due from Gopal to Muthu was Rs. 1,000. During the six months ended 30th June, the transactions were as follows :

2008		Rs.
Feb,10	Sold goods to Gopal	2,000
March, 15	Purchased goods from Gopal	600
April, 20	Cash received from Gopal	800
May, 15	Cash paid to Gopal	600

Prepare an account current to be rendered by Muthu to Gopal on 30th June, 2008. Calculating interest at 12% p.a.

Reference to the annuity table shows that the amount for Re 1, for 5 years at 5% is Re 0.230975. Make the calculations to the nearest rupee.

14. On 1st January, 2008, the amount due from Gopal to Muthu was Rs. 1,000. During the six months ended 30th June, the transactions were as follows :

2008		Rs.
Feb,10	Sold goods to Gopal	2,000
March, 15	Purchased goods from Gopal	600
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May, 15	Cash paid to Gopal	600

Prepare an account current to be rendered by Muthu to Gopal on 30th June, 2008. Calculating interest at 12% p.a.