

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMPUTER APPLICATION

THIRD SEMESTER – NOVEMBER 2013

CO 3104 - ACCOUNTS & BUSINESS APPLICATIONS

Date : 16/11/2013
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

SECTION – A

Answer all the questions:

(2x10=20)

1. Who is a debtor?
2. What is a bank reconciliation statement?
3. Explain cash flow statement.
4. List any four persons interested in accounting information.
5. Calculate Net profit turnover ratio. Net profit = ` 20,000 Sales = ` 2,50,000

Sales returns = ` 20,000

6. Prepare trial balance from the following items: Purchases : ` 80,000 Sales : ` 2,00,000

Capital: ` 3,00,000 Opening stock : ` 40,000 Machinery : ` 3,00,000

Salaries : ` 60,000 Advertising : ` 20,000

7. Write any two merits of cash flow statement.
8. List any two methods of calculating depreciation.
9. State the rules of journalising the transactions.
10. Explain the term Journal.

SECTION - B

Answer any five questions:

(8x5=40)

11. State and explain the merits of ratio analysis.
12. Explain the following: a) fixed assets b) Double entry system c) depreciation
d) current assets
13. Explain the different types of errors in accounting.
14. Record the following transactions for the month of February 2012 in the proper subsidiary books of M/s Gupta & sons:

Feb8 Sold to M/s Rahul & co:

3 dozen notebooks @ Rs. 20 each less trade discount 5%

25 calculators @ Rs. 100 each less trade discount 5%

Feb11 Send a Debit note No.28 to M/s Freeze electronics for ` 3,000

Feb13 Purchased from Gokul & co stationery worth ` 1000 for cash.

Feb19 M/s Rahul & co returned 10 notebooks and 3 calculators.

Feb22 Sold old computer to Satyam computers for ` 11,000.

Feb24 Purchased from Chand & co:

12 bags of sugar @ ` 2,500 per bag

Feb26 Purchased Furniture from Style furniture & co for cash ` 23,000.

Feb28 Returned damaged 2 bags of sugar to Chand & co.

15. The following errors were found in the book of Hema & sons. Give the necessary entries to rectify them:

- a) Rs.6000 paid for Building purchased has been charged to purchases account.
- b) Rs.300 received from Geetha & co has been wrongly entered as from Seetha & co
- c) Paid wages for the construction of building debited to wages account Rs.9,000
- d) Paid Rs.1,000 for the installation of machinery debited to General expense account

16. Galley Ltd. purchased a machinery on 1st January 2008 for ` 2,50,000. On 1st July 2010, the machine purchased on 1st January 2008 having become obsolete, was sold for ` 1,90,000. Show the machinery A/c assuming that the company charges depreciation @ 10% p.a. on 31st December every year using the Written down value method.

17. Prepare a bank reconciliation statement from the following particulars as on 31st December 2012:

- a) Credit balance as per cash book on 31.12.2010 was Rs.9,500
- b) Cheques deposited but not credited by the bank Rs.10,000
- c) Dividend collected by the bank directly, but not recorded in the cash book Rs.1,250
- d) Cheques issued for Rs.2,250 of which only one cheque for Rs.750 was presented for payment.
- e) Premium of life insurance policy paid by the bank on standing instruction Rs.2,800

18. Enter the following items in the two-column cash book:

August 1 Tarun commences business with cash ` 30,000.

4	Paid rent ` 100
7	Sold goods for cash ` 1,800
18	Sold goods to Mr.Natarajan on credit ` 800
19	Paid wages `15
21	Bought goods for cash `700
26	Paid to Sukumar `450 and received discount `50
27	Received cash from Mr. Natarajan ` 790 in full settlement
29	Purchased furniture for cash ` 1000

SECTION - C

Answer any two questions:

(20x2=40)

19. Prepare Trading, profit & loss a/c and Balance sheet from the following trial balance of Mr.Ganesh for the year ended 31.12.12

Particulars	Debit `	Credit `
Plant and machinery	50,000	
Ganesh's capital		1,00,000
Interest	500	
Rent, rates and taxes	5,600	
Wages	7,000	
Sundry creditors		50,000
Sales returns	6,000	
Purchases	1,50,000	
Opening stock	60,000	
Drawings	22,000	
Salaries	11,300	
Advertising	1000	
Sales		2,15,000
Purchase returns		2,000
Discount allowed	600	
Furniture and fixtures	10,000	
Business premises	25,000	
Cash in hand	4,000	
Commission received		3,000
Good will	4,500	
Cash at bank	6,500	
Bills receivable	6,000	
	3,70,000	3,70,000

Adjustments:

- a) Stock as on 31.12.2012 ` 95,000.
- b) Provide depreciation on plant & machinery at 5%
- c) Outstanding wages `400
- d) Commission received in advance Rs.150.

20. Enter the following transactions of M/s. Ram & sons in journal and post them to ledgers.

July 2007

- 1 Commenced business with cash `2,50,000
- 3 Opened an account with Indian bank `10,000
- 4 Bought goods from Rajan & co `22,000
- 7 Purchased building for `2,00,000
- 8 Received interest `3,500
- 14 Sold goods for cash `18,000
- 17 Settled Rajan & co's account in full.
- 21 Withdrew from bank for office use `4,500
- 26 Received cash from Jaleel Rs.5,000
- 30 Paid salary `15,000

21. Given below is the summarized balance sheet of Apple Ltd as on 31.12.2008.

<i>Liabilities</i>	`	<i>Assets</i>	`
Issued capital: 20,000 shares of Rs.100 each	20,00,000	Land and building	10,00,000
Reserves	15,00,000	Plant and machinery	15,00,000
Creditors	26,00,000	Closing Stock	27,50,000
Profit and loss account	6,00,000	Debtors	15,20,000
6% debentures	5,00,000	Cash at bank	6,30,000
Bills payable	4,00,000	Cash in hand	2,00,000
	76,00,000		76,00,000

Additional information:

- a) Opening stock = `10,00,000 b) Administration expenses = `2,00,000
- c) Purchases = `50,00,000 d) Sales = `80,00,000 e) Financial
- expenses = `4,00,000 f) Closing stock = `27,50,000 g) Selling and distribution
- expenses = `5,00,000 h) Gross profit = `10,00,000

Calculate: (i) Current ratio (ii) Quick ratio (iii) Stock turnover ratio (iv)
Fixed assets turnover ratio (v) Debtors turnover ratio (vi) Gross profit ratio (vii)
Operating ratio (viii) Administration expense ratio (ix) Finance expense ratio
