



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.Com. DEGREE EXAMINATION – COMMERCE**

**THIRD SEMESTER – APRIL 2014**

**CO 3104 - ACCOUNTS & BUSINESS APPLICATIONS**

Date : 05/04/2014  
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

**SECTION A**

**Answer the following:**

**10 x 2 = 20**

1. What is a ledger?
2. Why are final accounts prepared?
3. What are Subsidiary Books?
4. What is a Contra Entry?
5. Fill in the blanks :-
  - a) The incoming aspect of a transaction is called \_\_\_\_\_.
  - b) Journal entries passed to correct the errors are called \_\_\_\_\_.
6. Supply missing amount :-

Assets = Liabilities + Capital

  - a) 2,00,000 = 1,50,000 + ?
  - b) ? = 5,00,000 + 1,00,000
7. Correct the following entries :-
  - a) Cash Purchases :  
Cash A/c Dr  
    To Sales
  - b) Paid Salaries to Ramu :  
Ramu A/c Dr  
    To Cash A/c
8. Prepare Single Column Cash Book.

2002 March 1. Cash in Hand Rs 20,000  
    4. Cash purchases Rs 4,000  
    9. Received Cash from Cheran Rs 10,000  
    20. Cash withdrawn from Bank Rs 4,000  
    28. Rent Paid Rs 1,000
9. Choose the correct answers :-
  - a) The Cash Book records \_\_\_\_\_
    - i. All Cash Payments
    - ii. All Cash Receipts
    - iii. All Cash Receipts and Payments
  - b) Fixed Assets have \_\_\_\_\_
    - i. Short Life
    - ii. Long Life
    - iii. No Life
10. Find out the rate of depreciation, under the straight line method.

Cost of Assets Rs 5,000  
Scrap Value Rs 500  
Estimated Life 10 years

## SECTION B

**Answer any FOUR questions:**

**4 x 10 = 40**

11. Explain the methods of providing depreciation.
12. Who are the persons who are interested in accounting information?
13. Enter the following transaction in the Cash Book with Discount and Cash Columns of Mr. Joe

2003 SEP 1	Cash in hand Rs.19,000
3	Sold goods for cash Rs.10,000
4	Credit purchases from Venkat Rs.18,000
6	Received from Mohan Rs.4,160
	Discount allowed to him Rs.40
8	Paid for Electricity charges Rs.850
9	Cash deposited in bank Rs.20,000
14	Paid cash to Venkat Rs.17,600 in full settlement
24	Received cash from Vel Murugan Rs.4,800
26	Salaries paid Rs.4,000
28	Cash drawn from bank Rs.5,000

14. Rectify the following errors :
  - i. Credit purchase of goods from Balaji of Rs.300 has been wrongly entered in the sales book.
  - ii. Rs.1,000 received as interest was credited to commission account.
  - iii. Sales book total Rs.878 was wrongly totalled at Rs.788.
  - iv. The total of the discount column, on the debit side of the cash book has been added short by Rs.400.
  - v. Goods taken by the proprietor Rs.1,000 not recorded in the books at all.
15. From the following particulars of Mr.Manoah ascertain the Bank Balance as per pass book on December 31, 1994.
  - a) The Bank Balance as per cash book was Rs.23,000 on December 31,1994.
  - b) Cheques issued but not cashed before the date amounted to Rs.2,500.
  - c) Cheques paid into Bank but not cleared before December 31,1994 amounted to Rs.3,150.
  - d) Rent collected by the Banker Rs 2,000.
  - e) Cheque dishonoured Rs.250.
  - f) Interest on Overdraft debited in the pass book Rs.95.
16. Kingston purchased a machine on 1<sup>st</sup> July 1993 at a cost of Rs.60,000. The firm writes off depreciation at 10% of the original cost every year. The books are closed on 31<sup>st</sup> March of every year. Prepare Machinery Account for the first 3 years.
17. Ascertain operating Profit before working Capital changes from the following details:

	Rs.
Net Profit before Tax and extraordinary items	2,00,000
Dividend received on Long term investment in shares	40,000
Interest received on Long term investment in debentures of other companies	30,000
Goodwill written off	20,000
Discount on issue of shares written off	10,000
Preliminary expenses written off	25,000
Depreciation charged on Fixed Assets	65,000
Profit on Sale of equipment	10,000
Loss on Sale of Long Term investments	8,000

### SECTION C

Answer any TWO questions:

2 x 20 = 40

18. Journalise the following transactions, post them in the ledger and prepare trial balance of Mr.Boopalan.

- 1995,Jan. 1 Boopalan Commenced business with cash, Rs.5,00,000  
3 Paid into Bank Rs.3,00,000  
5 Bought goods for Rs.1,20,000  
7 Paid travelling charges Rs.500  
10 Sold goods for Rs.50,000  
15 Sold goods to Arun Rs.80,000  
25 Purchased goods from Suresh Rs.70,000  
30 Withdrew cash Rs.50,000

19. From the following Trial Balance as on 31<sup>st</sup> March 1995 of Mr. Finney prepare trading and profit and loss accounts and balance sheet for the year ending 31.3.1995

#### Trial Balance as on 31.3.95

Particulars	Debit Rs.	Credit Rs.
Capital		80,000
Sales		50,000
Purchases	40,000	
Salaries	2,000	
Rent	1,500	
Insurance Premium	300	
Drawings	10,000	
Machinery	28,000	
Cash at Bank	4,500	
Computer	25,000	
Furniture	10,000	
Cash	2,000	
Stock 1.4.94	5,200	
Debtors	2,500	
Creditors		1,000
	<b>1,31,000</b>	<b>1,31,000</b>

#### Adjustments:

- a) Closing Stock value as on 31.3.95 Rs.7,800  
b) Rent outstanding Rs.200  
c) Provide interest on capital @ 5%  
d) Drawings at 8%  
e) Insurance Prepaid Rs.150

20. Thomas manufacturing company has drawn up the following for the year ended 31<sup>st</sup> March 1986

P & L A/c

Particulars	Rs.	Particulars	Rs.
To Opening Stock	26,000	By Sales	1,64,000
To Purchases	80,000	By Closing Stock	34,000
To Wages	24,000		
To Manufacturing Expenses	16,000		
To Gross Profit c/d	52,000		
	1,98,000		1,98,000
To Selling Expenses	4,000	By Gross Profit b/d	52,000
To Administration Expenses	22,800	By Dividend	4,800
To General expenses	2,000		
To Net Profit c/d	28,000		
	<b>56,800</b>		<b>56,800</b>

You are required to find out :

- a) Gross profit ratio
- b) Net profit ratio
- c) Operating Ratio
- d) Operating Profit ratio
- e) Selling expense ratio
- f) Administration expense ratio
- g) Manufacturing expense ratio.

21. Difference between Trial Balance and Balance Sheet.

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