## LOYOLA COLLEGE (AUTONOMOUS), CHENNAI - 600034

## B.Sc.DEGREE EXAMINATION -COMPUTER SCIENCE FOURTH SEMESTER - APRIL 2018

## CO 4206- ACCOUNTS AND BUSINESS APPLICATIONS

## SECTION A

Answer the following:
$10 \times 2=20$

1. What is a Ledger?
2. Why is a Balance Sheet prepared?
3. Write down any two advantages of Subsidiary books.
4. What is imprest system of petty cash?
5. What is Contra entry?
6. A company purchased a plant for Rs $1,00,000$. The useful life of the plant is 10 years and the residual value is Rs 20,000. Find out the rate of depreciation.
7. Classify the following items into Personal, Real and Nominal Accounts.
a) Drawings
b) Machinery
c) Rent Received
d) Wages
8. Rectify the following journal entries:
a. a) Purchases A/c Dr
i. To Cash A/c
b. (Being furniture purchased)
b) Arul A/c Dr
To Cash A/c
(Being Salary paid to Arul)
9. Fill in the blanks:
a) A statement showing assets and liabilities of a business is $\qquad$
b) Properties of business concern are known as $\qquad$
10. True or False:
a) Journal is a book of secondary entry.
b) Land and building is a current asset.

## SECTION B

Answer any FOUR of the following:
$4 \times 10=40$
11. Define Depreciation. Explain the need for providing depreciation?
12. Who are the parties interested in accounting information?
13. Distinguish between Journal and Ledger.
14. On $1^{\text {st }}$ January 2008, a firm purchased an Machinery Account on Rs.2,50,000. On $31^{\text {st }}$ December 2010 the machinery purchased on $1^{\text {st }}$ January 2008 having become obsolete was sold off for Rs. $1,65,000$. The firm provides depreciation at $10 \%$ per annum on Straight Line Method. Prepare Machinery account.
15. Enter the following transactions in an analytical petty cash book of Ms.Yamini and balance the
same. On $1^{\text {st }}$ April 2003 the petty cashier started with an imprest amount of Rs. 1,500.

|  |  | Rs. |
| :---: | :---: | :---: |
| 2003 April 1 | Postage Stamps purchased | 50 |
| 3 | Sweeper and Scavenger paid | 25 |
| 5 | Conveyance to Manager | 457 |
| 6 | Telegram to Mumbai | 44 |
| 7 | Stationery purchased | 68 |
| 10 | Lorry hire for goods sent | 250 |
| 13 | Cartage and Cooly on goods bought | 75 |
| 18 | Repairs to Cycles | 30 |
| 19 | Service Charges to Typewriters | 75 |
| 22 | Ink and Gum purchased | 23 |
| 24 | Advertisement charges | 100 |
| 27 | Subscription paid to the Hindu | 125 |
| 28 | Tea to customers | 12 |

16. From the particulars of Mr.Sathish, ascertain the Bank balance as per pass book on 31 December, 2003.
a) The Bank Balance as per Cash Book was Rs 11, 500 on December 31, 2003.
b) Cheques paid but not cashed before that date amounted to Rs 1,750 .
c) Cheques paid into Bank, but not cleared before December 31, 2003 amounted to Rs 2,150.
d) Interest on Investments collected by the bank but not entered in the Cash Book amounted to Rs 275.
e) Local cheques paid in but not entered in the Cash Book Rs 250 .
f) Bank charges debited in the Pass Book Rs 95 .
17. Enter the following transactions in the proper Subsidiary Books of Mr. Naveen \& Co.

| 2003 <br> Nov. 1 | Bought from Vijay 300 bags of wheat Rs.1,000 per bag Less Trade <br> Discount 10\% |
| :--- | :--- |
| 3 | Purchased from Madhu 150 bags of rice Rs. 900 per bag Less Trade <br> Discount 10\% |
| 5 | Returned to Vijay 10 bags of wheat which were purchased on <br> 1.11 .2003. |
| 7 | Sold to Shiva 50 bags of rice Rs.1,200 per bag <br> Less Trade Discount $5 \%$ |
| 12 | Sold to Sharma 25 bags of wheat Rs.1,300 per bag <br> Less Trade Discount 10\% |
| 14 | Returned 15 bags of rice to Madhu. |
| 15 | Shiva returned 5 bags of rice. |

18. Prepare Trial Balance from the following balances as on 30.6.2004.

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| Capital | $2,49,000$ | Drawings | 24,000 |
| General expenses | 97,000 | Building | 78,000 |
| Machinery | $1,18,680$ | Stock | $1,32,400$ |
| Wages | 14,400 | Insurance | 2,610 |
| Bad debts | 1,100 | Creditors | 5,000 |
| Sales | $3,30,720$ | Loan (cr) | 75,000 |
| Commission | 5,500 | Purchases | $2,10,800$ |
| Bills Payable | 7,700 | Reserve Fund | 15,000 |
| Bank Overdraft | 28,600 | Cash in hand | 25,320 |
| Discount | 1,210 |  |  |

## SECTION C

## Answer Any TWO of the following:

19. The following figures relate to Aasir Traders Ltd for the year ended 31.12.97.

Trading \& Profit \&Loss Account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :---: |
| To Opening Stock | $\mathbf{7 5 , 0 0 0}$ | By Sales |  |
| To Purchases | $3,25,000$ | Less Returns 20,000 | $5,00,000$ |
| To Gross Profit | $2,00,000$ | By Closing Stock | $1,00,000$ |
|  | $\mathbf{6 , 0 0 , 0 0 0}$ |  | $\mathbf{6 , 0 0 , 0 0 0}$ |
| To Operating Expenses: |  | By Gross Profit B/d | $\mathbf{2 , 0 0 , 0 0 0}$ |
| Administration Expenses | 40,000 | By Non-Operating Income: |  |
| Selling Expenses | $\mathbf{2 5 , 0 0 0}$ | Dividend | 9,000 |
| To Non-Operating Expenses: |  | Profit on sale of shares | $\mathbf{1 1 , 0 0 0}$ |
| Loss on sale of assets | 5,000 |  |  |
| To Net Profit | $\mathbf{1 , 5 0 , 0 0 0}$ |  | $\mathbf{2 , 2 0 , 0 0 0}$ |
|  | $\mathbf{2 , 2 0 , 0 0 0}$ |  |  |

Calculate:
a) Operating Profit Ratio
b) Operating Ratio
c) Gross Profit Ratio
d) Net Profit Ratio
e) Expenses Ratio
20. The following are the balances extracted from the books of Mr. Sebastian as on 31-12-2008. Prepare Trading, Profit and Loss and Balance Sheet.

Trial Balance as on 31-12-2008

| Particulars | Rs. | Particulars | Rs. |
| :---: | :---: | :---: | :---: |
| Drawings | 4,000 | Capital | 20,000 |
| Cash in Hand | 1,700 | Sales | 16,000 |
| Cash at Bank | 6,500 | Sundry Creditors | 4,500 |
| Wages | 1,000 |  |  |
| Purchases | 2,000 |  |  |


| Stock ( 1-1-2008) | 6,000 |  |  |
| :---: | :---: | :--- | :--- |
| Buildings | 10,000 |  |  |
| Sundry Debtors | 4,400 |  |  |
| Bills Receivable | 2,900 |  |  |
| Rent | 450 |  |  |
| Commission | 250 |  |  |
| General Expenses | 800 |  |  |
| Furniture | 500 |  | $\mathbf{4 0 , 5 0 0}$ |
|  | $\mathbf{4 0 , 5 0 0}$ |  |  |

The following adjustments are to be made:
i. Closing Stock was Rs 4,000 ;
ii. Interest on capital at $6 \%$ to be provided;
iii. Interest on drawings at $5 \%$ to be provided;
iv. Wages yet to be paid Rs.100;
v. Rent paid Rs. 50.
21. Enter the following transactions in the Three Column Cash Book of Mr.Thamim.

|  |  | Rs. |
| :---: | :--- | ---: |
| 1995 | Cash in Hand | 12,500 |
| Feb.1 | Cash at Bank | 16,000 |
| 3 | Paid into Bank | 1,200 |
| 5 | Purchased Furniture by Cheque | 4,000 |
| 9 | Cash Purchases | 1,000 |
| 13 | Received from Manoj <br> Discount Allowed | 20 |
| 15 | Cash Sales | 8,200 |
| 16 | Drew a cheque for office expenses | 4,850 |
| 17 | Paid SenthilRajan by cheque <br> Discount allowed by him | 1,850 |
| 20 | Paid into Bank | 50 |
| 22 | Withdrew cheque for personal use | 800 |
| 24 | Received cheque from Banu and deposited into bank | 750 |
| 25 | Allowed him discount | 1,815 |
| 27 | Somu our customer has paid directly into our Bank account | 35 |
| 28 | Received Interest | 3,210 |
| 30 | Paid Insurance | 650 |
|  | 1,000 |  |

22. What is cash flow statement? Explain the advantages and disadvantages.
