

NAIPUNNYA SCHOOL OF MANAGEMENT, CHERTHALA
II SEMESTER B.COM TOURISM AND TRAVEL MANAGEMENT
TT 1241 : FINANCIAL ACCOUNTING

SECTION - A

(Answer all questions. Each carries 1 mark)

- 1.What do you mean by Accounting Concepts ?
- 2.Accounting records only monetary events – do you agree ?
- 3.Expand ASB
- 4.Define Accounting Standard.
- 5.What is capital fund ?
6. What is objectivity concept ?
- 7.What is a Balance Sheet ?
- 8.What is single entry system ?
- 9.Define Trial Balance.
- 10.What is cost of goods sold ?

SECTION - B

(Answer all questions. Each carries 2 marks)

- 11.What are contingent liabilities ?
- 12.Mention the main defects of single entry system.
- 13.How is outstanding expense ? How will you treat it while preparing final accounts ?
- 15.What do you mean by convention of disclosure ?
- 16.What do you mean by statement of affairs ? Give the proforma of a statement of affairs.
- 17.From the following calculate total purchase. Cash purchase Rs.8,500; creditors as on 1-1-2014 Rs.4,000; cash paid to creditors Rs.15,500; purchase returns Rs.500; creditors as on 31-12-2014 Rs.6,700.
- 18.Calculate the actual expense to be shown in the Income and Expenditure Account.

Salaries and wages paid during 2013	Rs.15,200
Salaries and wages unpaid on December 31, 2013	Rs.8,400
Salaries and wages outstanding on 1-1-2013	Rs.7,600

19.What are the different types of fund of a Not- for profit making organization ?

20.State the objectives of accounting standards.

21.Find the profit of the concern :

Opening Capital	Rs.1,60,000
Drawings	Rs.36,000
Closing capital	Rs.1,80,000
Additional capital	Rs.10,000

22.Distinguish between grouping and marshalling of assets and liabilities.

SECTION - C

(Answer all questions. Each carries 4 marks)

23.Why a Trading account is prepared ? Prepare a specimen Trading Account.

24.Briefly explain the procedure to be followed to formulate an Accounting Standard.

25.Prepare total creditors account :

	Rs.
Opening creditors	8,200
Closing creditors	8,500
Credit purchase	25,300
Cash purchase	25,000
Cash paid to creditors	19,100
B/P issued	5,000
Discount received	900
Provision for discount on creditors	100

26.Distinguish between single entry system and double entry system.

27.Find out opening stock.

	Rs.
Total sales	2,46,000
Purchases	2,00,000
Closing stock	35,000

Gross profit ratio : 20% on cost

28. Calculate Gross profit and Net profit from the following :

	Rs.
Stock at start	24,000
Purchase	1,52,050
Sales	2,08,600
Closing stock	38,400
Return outwards	1,850
Return inwards	8,600
Carriage in	5,240
Manufacturing wages paid	28,000
Manufacturing wages owing	960
Loss due to fire	10,000
Indirect expenses	2,000

29. Prepare Receipts and Payments Account for the year ended Dec. 31, 2013 from the following particulars.

	Rs.
Cash in hand at beginning	40,000
Entrance fee received	8,000
Subscription collected :	
For 2013 Rs.16000	
For 2012 Rs.1,600	17,600
Salaries paid	2,000
Sundry expenses paid	200
Rent paid	1,200
Cricket balls purchased	500
Purchase of cricket bats	1,600
Stationary purchased	100

30. How cash book differs from a Receipts and Payments account ?

31. Goods worth Rs.50,000 destroyed by fire. How will you treat this item in the final accounts ?

- a) If the goods were insured and the insurance company admitted the claim in full.
- b) If the goods were insured and the insurance company admitted only Rs.30,000.
- c) If the goods were not insured.

SECTION - D

(Answer all questions. Each carries 15 marks)

32. Following balances are extracted from the books of Mr. Sukhdev.

	Rs.		Rs.
Capital	30,000	Sales Return	2,000
Drawings	5,000	Discount (Dr.)	1,600
Furniture and Fittings	2,600	Discount (Cr.)	2,000
Bank overdraft	4,200	Taxes and Insurance	2,000
Creditors	13,300	General expenses	4,000
Business premises	20,000	Salaries and wages	9,000
Stock (1-1-2013)	22,000	Commission (Dr.)	1,200
Debtors	18,000	Audit fee	500
Rent from tenants	1,000	Legal charges	500
Purchases	1,10,000	Carriage on purchase	1,800
Sales	1,50,000	Provision for Bad Debts	500
Bad Debts	800		

Stock on Dec. 31, 2013 was estimated at Rs.20,060. Write off depreciation on business premises Rs.300 and on furniture and fittings Rs.260. Write off bad debts Rs. 500 and make a provision of 5% on debtors for bad debts. Allow interest on capital at 5% p.a. and carry forward Rs.700 for unexpired insurance.

Prepare trading and profit and loss account for the year ended December 31, 2013 and a balance sheet as at that date.

33. Kurien commenced business with Rs.30,000. On the same day he purchased furniture for Rs.6,000. The following were his transactions for the year.

	Rs.
Total purchase (cash purchase Rs.40,000)	80,000
Total sales (cash sales Rs.80,000)	1,20,000
Wages paid	3,000
Business expenses	4,500
Personal drawings	3,800

Closing stock was valued at Rs.9,500; Closing debtors were valued at Rs. 8,000 and Closing creditors were Rs. 7,500. Depreciation on furniture was 10% per annum.

Prepare Trading and Profit and Loss Account and Balance Sheet.

34. Write a note on GAAP.

35. The following is the Receipts and Payments account of Country Club for the year ended 31st Dec.2011.

Dr.	Receipts and Payments Account		Cr.
	Rs.	Payments	Rs.
Receipts			
To Balance b/d	3,500	By salaries	3,400
To Entrance fee	6,000	By entertainment exp.	3,600
To Donations	3,000	By sports expense	4,200
To Legacy	2,000	By General expense	2,800
To Subscription	12,500	By Rent	3,200
		By Furniture	4,000
		By Balance C/d	5,800
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	27,000		27,000
	=====		=====

On 31st Dec. 2011, the Club had subscription outstanding Rs.600 and salary outstanding Rs.500. Rent paid in advance amounted to Rs.300. The club had furniture worth Rs. 5,000 and building worth Rs.15,000 as on 1st January 2011. Furniture requires a depreciation of Rs.1.200 and building requires a depreciation of 10% during 2011. It is resolved to be capitalize ½ of legacy and 1/3 of donations. Prepare Income and Expenditure Account and Balance Sheet of Country Club for the year ending 31st December 2011.
