

**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 Conventions ?
- 2.Define a Non-Profit Organization ?
- 3.State the meaning of the term Bad Debt.
- 4.Define Profit and Loss Account.
- 5.What is convention of full disclosure ?
6. What do you mean by Receipts and Payments Account
- 7.What is Legacy ?
- 8.What is Fictitious assets ?
- 9.Define Business entity concept.
- 10.What is conservatism principle ?

**SECTION - B**

**(Answer all questions. Each carries 2 marks)**

- 11.What are deferred revenue expenditures ?
- 12.Mention the main features of NPO.
- 13.What do you mean by Final Accounts ? What purpose does it serve ?
- 15.What do you mean by convention of disclosure ?
- 16.What do you mean by Trading Accounting ? Give the proforma of a Trading Account.
- 17.Callculate Gross Profit from the following:

Opening stock	Rs.15,000
Purchases	Rs.35,000
Direct Expenses	Rs.4,000
Sales	Rs.80,000

Closing stock                      Rs.12,000

18.From the following show the amount of subscription to be credited to Income and Expenditure Account.

Subscription received during the year is Rs.8500 of which Rs.1600 relate to previous year and Rs.900 relate to next year. Subscription outstanding on closing date is Rs.1,350.

19.How will you treat legacy and life membership fee in non profit organization ?

20.Differentiate between opening entry and closing entry.

21.Find the profit or loss of the concern :

Opening Capital	Rs. 13,400
Drawings	Rs.3,200
Closing capital	Rs.18,500
Additional capital	Rs.2,400

22.Distinguish between Capital expenditure and Revenue expenditure.

### SECTION - C

**(Answer all questions. Each carries 4 marks)**

23.What is a Balance Sheet ? What is the need for preparing a Balance Sheet ?

24.Briefly explain the steps to convert single entry to double entry.

25.From the under mentioned items, prepare Bills Payable Account and Total creditors account to find out credit purchase :

	Rs.
Bills Payable on 1/1/2010	6,222
Creditors on 1/1/2010	11,666
Bills Payable on 31/12/2010	9,225
Creditors on 31/12/2010	16,335
Cash paid to creditors in 2010	78,535
Cash paid on bills payable in 2010	18,870

26.Distinguish between Receipts and Payments and Income and Expenditure Account.

27.Prepare total Debtors Account.

Rs.

Opening Debtors	21,600
Creditl sales	39,400
Cash sale	10,600
B/R dishonoured	500
Cash collected from Debtors	37,200
Bills Received	4,000
Bad Debts	600
Discount allowed	1,100
Closing debtors	18,600

28.Prepare Trading Account for the year ended 31<sup>st</sup> December2013 from the following :

	Rs.
Stock on 1/1//2013	10,000
Purchases (Including credit for excise duty 500)	1,00,000
Wages	5,000
Carriage inwards	1,000
Sales (inclusive of sales tax)	1,70,000
Return inwards	5,000
Return outwards	8,000
Sales tax paid	15,000
Freight	500
Excise duty on goods manufactured	2,500
Cash subsidy receivable on purchases	500
Closing stock	20,000

29.Prepare Receipts and Payments Account for the year ended Dec. 31, 2015 from the following particulars.

	Rs.
Opening Balance:	
Cash in hand	100
Cash at bank	500

Receipts:

Subscription	3,300
Donations	260

Payments:

Investment	1,000
Rent	400
General expense	210
Postage	70
Sundries	30
Closing cash	20

30. What are the limitations of single entry system ?

31. How will you treat the following items in the final accounts ?

- a) Goods sent as free samples to customers.
- b) Goods withdrawn by proprietor for personal purpose.
- c) Goods taken from purchase for office use.
- d) Erection charges on machinery debited in wages account

**SECTION - D**

**(Answer all questions. Each carries 15 marks)**

32. From the following balances extracted from the books of Mr. Madhu on 31<sup>st</sup> Dec. 2013, prepare final accounts after taking into consideration the adjustments.

Dr. Balances	Rs.	Cr. Balances	Rs.
Opening stock	85,600	Capital	87,940
Advertising	4,700	Discount	350
Goodwill	9,500	Bad debt provision	1,800
Factory wages	7,500	Bills payable	1,200
Duty and clearing	1,200	Interest	400
Factory rent	1,600	Sales	3,60,000
Carriage inwards	3,300	Return outwards	1,900

Return inwards	4,500	Creditors	8,450
Salaries	15,000		
P/ M	20,000		
Gas and water	700		
Office rent	1,500		
Purchases	2,62,700		
B/R	2,000		
Bank	6,660		
Cash	25		
Office furniture	2,500		
Rates and taxes	300		
Printing and stationary	475		
Debtors	18,000		
Drawings	12,500		
General expense	1,780		
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	4,62,040		4,62,040
	=====		=====

The closing stock was estimated at Rs.40,000. Salaries due Rs.400 and rent due Rs.100, increase bad debt provision to Rs.2,800, Rs.280 owing for premises sub-let, but not received, depreciate plant and furniture at 6% per annum, Rs.100 rates and taxes unexpired.

33.Mr.John commenced business as a cloth merchant on 1<sup>st</sup> April 2003 with a capital of Rs.200,000. On the same day he purchased furniture and fixtures for Rs.40,000.From the following details, you are required to prepare cash book, Total Debtors a/c and Total Creditors A/c for the year ended 31<sup>st</sup> March 2004.

	Rs.
Total purchase (cash purchase Rs.60,000)	2,00,000
Total sales (cash sales Rs.100,000)	2,50,000
Salaries to staff	24,000
Trade expenses	8,000
Personal drawings	10,000

Bad debts written off

2,000

Mr. John has used cloth worth Rs.6,000 for private purposes and paid Rs.10,000 to his son, which is not recorded anywhere. On 31<sup>st</sup> March 2004 his debtors were worth Rs.70,000 and creditors Rs.40,000. Stock in trade on that date was worth Rs.80,000.

34. Briefly explain any ten Indian Accounting Standards.

35. The following is the Receipts and Payments account of Remya Theaters for the year ended 31<sup>st</sup> March.2010.

Dr.	Receipts and Payments Account		Cr.
Receipts	Rs.	Payments	Rs.
To Balance b/d	700	By salaries	4,000
To Entrance fee	900	By stationery	1,250
To Subscription:		By Rent	7,000
2008-2009     600		By Repairs	850
2009-2010   15,500		By Billiard table	6,000
2010-2011   300			
	-----		
	16,400		
To Locker Rent	1,500		
		By Balance C/d	400
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	19,500		19,500
	=====		=====

Locker rent Rs.300 refers to 2008-09 and Rs.240 is still owing. Subscription unpaid for 2009-10 amounted to Rs.1,500. On 1<sup>st</sup> April 09, the Theatre had furniture worth Rs3,000 and library books for Rs. 2000. Prepare Income and Expenditure Account and Balance Sheet for the year ending 31<sup>st</sup> March 2010.

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