



SAINTGITS COLLEGE OF APPLIED SCIENCES KOTTAYAM, KERALA

SAINTGITS
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First Internal Examination, September 2023

Department of Commerce, Semester I

FINANCIAL ACCOUNTING - I

Total: 40 marks

Time: 1.5 hours

Section A

Answer any 5 questions. Each question carries 2 marks.

1. State accounting process.
2. Explain revenue expenditure and show one example.
3. What do you mean by grouping and marshalling of assets & liabilities
4. Identify the types of single entry
5. Explain capital comparison method
6. Show the transactions which are affecting both debtors account and bills receivable account in single entry system.

(5 x 2 = 10 Marks)

Section B

Answer any 3 questions. Each question carries 5 marks.

7. The following are the extracts from the Trial Balance of Mr. Gokul as on 31.12.2015

Sundry Debtors	1,0,3000	
Bad debts	8,000	
Provision for bad debts		7,000

Additional Information

- a. Writ off further bad debts ₹ 3,000
- b. Create a provision of 5% on debtors for doubtful debts.

Pass Journal entries and prepare bad debts account, provision for bad debts account and show the effect on final accounts

8. Explain accounting concepts.
9. Find out total sales from the following

	₹
Debtors at the beginning of the year	50,000

Bills receivable at the beginning of the year	25,000
Debtors at the end of the year	75,000
Bills receivable at the end of the year	20,000
Discount allowed	3,000
Bad debts written off	500
Cash sales	30,000
Cash received on bills receivable	15,000
Bills receivable dishonoured	1,000
Sales returns	2,000
Cash received from debtors	40,000
Bad debts recovered	2,000
Provision for bad & doubtful debts	4,000

10. State the difference between statement of affairs and balance sheet.

(3 x 5 = 15 Marks)

Section C

Answer any 1 question. The question carries 15 marks

11. From the following trial balance of Nikhil agencies you are required to prepare Trading & Profit and Loss A/C for the year ended 31.03.2015 and a Balance sheet as on that date

Debits	Amt	Credits	Amt
Cash in hand	2,500	S. Creditors	25,000
Opening stock	45,000	Sales	3,20,000
S. Debtors	31,000	Bills payable	10,000
Purchases	2,40,000	Rent from subletting	600
Carriage on purchases	3,000	Bad debts recovered	500
Bills receivable	15,000	Provision for bad debt	2,000
Drawings	10,000	Capital	1,4,2900
Rent	6,000		
Commission	2,000	Commission	3,000
Discount	3,000	Discount	1,000
Returns	2,000	Returns	4,000
Income tax paid	4,000		
Plant & Machinery	30,000		
Furniture	40,000		
Cash at bank	15,000		
Motor van	60,000		
Sales tax paid	500		
	<u>5,09,000</u>		<u>5,09,000</u>

Adjustments :

- a) Closing stock – Rs. 60000
- b) Further bad debt Rs. 1000 and create a provision of 5% on debtors for doubtful debts
- c) Create provision of 2% for discount on debtors and creditors
- d) Provide interest on capital and drawings @ 10%
- e) On 28th March 2015 a fire broke out in the godown and goods costing Rs. 3000 were lost for which nothing is recovered from insurance co.
- f) Manager is entitled to commission of 5% on Net profit ,before charging such commission

12. Books of a trader reveals the following for the year ending 31.12.2015

Cash Book

Receipts	₹	Payments	₹
To Collection from Debtors	60,000	By Overdraft(01.01.2015)	7,400
To Capital introduced	5,000	By Paid to creditors	25,000
		By Business expenses	10,000
		By wages	15,500
		By drawings	3,000
		By Balance c/d	
		Bank	4,000
		Cash	100
	65,000		65,000

Additional Information

	01.01.2015	31.12.2015
Debtors	53,000	88,000
Creditors	15,000	19,500
Stock	17,000	19,000
Machinery	20,000	20,000
Furniture	1,400	1,400

Prepare Trading and Profit and Loss a/c for the year ending 31.12.2015 and a balance sheet as on that date after providing depreciation on machinery and furniture @ 10% and 5% respectively.

(1 X 15 = 15 Marks)



[Scan QR code for Answer Key]