LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.Com.** DEGREE EXAMINATION – **COMPUTER SCI.**

FOURTH SEMESTER – **APRIL 2012**

# CO 4206 / 4203 - ACCOUNTS AND BUSINESS APPLICATIONS

Date : 19-04-2012 Dept. No. Max. : 100 Marks

Time : 1:00 - 4:00

**SECTION – A**

**Answer all the questions: (2x10=20)**

1. Explain the term “Depreciation”.
2. What is error of principle?
3. Give any four examples of fixed asset.
4. State the rules of accounting.
5. Identify the type of account: a) Machinery b) cash c) Indian bank d) Commission.
6. In cash flow statement

a) Purchase of machinery is treated as \_\_\_\_\_\_\_\_\_\_\_\_ activity.

b) Repayment of loan is treated as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ activity.

1. A company purchased a plant for Rs.1,50,000 and it immediately spend Rs.5000 on installation. The useful life of the plant is 10 years and the residual value is Rs.15,000. Find out the rate of depreciation.
2. Prepare single column cash book. Cash in hand = Rs.20,000 Interest received = Rs.4,000 Paid rent = Rs.5,000 Cash sales = Rs.10,000 purchased goods = Rs.12,000 Paid Robin = Rs.1,500
3. Calculate Earnings per share. Net profit after tax = Rs.2,00,000 preference dividend = Rs.30,000 No.of equity share = 10,000.
4. Prepare trial balance. Purchase = Rs.20,000 sales = Rs.1,00,000 capital = Rs. 2,50,000 salary = Rs.40,000 machinery = Rs.2,00,000 goodwill = 50,000 furniture = 40,000

**SECTION - B**

**Answer any five questions: (8x5=40)**

1. Explain the merits of cash flow statement.
2. Explain the groups interested in accounting information.
3. On 1st July 2008 a firm purchased a machinery for Rs.2,50,000. On 1st October 2008 additional machinery costing Rs.1,00,000 was purchased. On 31st December 2010 the machinery purchased on 1st July 2008 having become obsolete, was sold off for Rs.1,65,000. The firm provides depreciation on its machinery @ 10% per annum on written down value on 31st December every year. Show machinery account for the period 2008 – 2010.
4. A petty cash book is kept on imprest system and the amount of imprest is Rs. 3,500. Prepare petty cash book for the month of June 2010 from the following items:

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Amount Rs.** |
| **June 1** | **Petty cash in hand** | **500** |
| **2** | **Received cash to make up imprest** | **3,000** |
| **3** | **Paid for Taxi fare** | **360** |
| **5** | **Paid telegram** | **120** |
| **8** | **Refreshment to customers** | **290** |
| **12** | **Paid Courier charges** | **50** |
| **13** | **Writing pad and registers** | **740** |
| **18** | **Wages paid for Office cleaning** | **160** |
| **22** | **Speed post** | **43** |
| **24** | **Advance given to salesman** | **900** |
| **26** | **Telephone charges** | **471** |
| **27** | **Printing expenses** | **325** |
| **28** | **Railway freight** | **243** |
| **29** | **Paid office expenses** | **93** |
| **30** | **Purchased stamps** | **20** |

1. Prepare a bank reconciliation statement from the following data as on 30.11.2011.

a) Overdraft balance as per pass book as on 30.11.2011 Rs.19,500

b) Cheque issued to a supplier but not presented for payment Rs.2,250.

c) A cheque of Rs.2,300 deposited into bank but not yet cleared and credited.

d) Interest on investments collected by bank and credited in pass book Rs.1,340.

e) A customer, Mr. Shyam has paid cash into bank directly a sum of Rs. 5,500 which has

not been entered in the cash book.

f) Insurance premium of Rs.3,500 paid by the bank as per standing instructions were not

entered in the cash book.

g) Interest credited by the bank Rs.500

h) Bill receivable which was discounted with the bank was dishonoured and bank

had debited Rs.3,050.

1. Enter the following transactions of M/s. Janaki & sons in the journal

January 2012

3 Opened an account with Indian bank Rs.10,000

4 Bought goods from Rajan & co Rs.22,000

7 Purchased furniture for Rs.2,000

9 Received dividend by cheque Rs.3,500

13 Sold goods to Alfred for cash Rs.18,000

17 Settled Rajan & co’s account with cash Rs. 21,500

21 Withdrew from bank for personal use Rs.4,500

30 Paid salary Rs.15,000

1. Record the following transactions for the month of February 2010 in the proper subsidiary books of M/s Gupta & sons:

Feb 2 Purchased from M/s Breeze electronics:

30 Digital diaries @ Rs. 2000 each

10 DVDs@ Rs. 30 each

Feb8 Sold to M/s Ramesh & co:

3 dozen notebooks @ Rs. 20 each less trade discount 5%

25 calculators @ Rs. 100 each less trade discount 2%

Feb11 Send a Debit note No.28 to M/s Breeze electronics for Rs. 3,000

Feb13 Purchased from Harish & co stationery worth Rs.1000 for cash.

Feb19 Returned 10 notebooks and 3 calculators to M/s Ramesh & co.

Feb22 Sold old computer to Satyam computers for Rs.11,000.

Feb24 Purchased from Chandini & co:

12 bags of sugar @Rs. 2,500 per bag at a trade discount of 10%, as per invoice No.8

Feb26 Purchased Furniture from Style furniture & co for cash Rs23,000.

Feb27 Returned damaged 2 bags of sugar to Chandini & co.

Feb28 Sold to M/s Damro & co:

10 bags of rice @Rs.1,200 per bag and 5 bags of sugar @ Rs. 2,700 per bag as per invoice No. 23

1. The following errors were found in the book of Tim & sons. Give the necessary entries to rectify them:

a) Rs.4000 paid for furniture purchased has been charged to purchases account.

b) Rs.500 received from Seetha & co has been wrongly entered as from Geetha & co

c) Paid wages for the construction of building debited to wages account Rs.6,000

d) A credit sales of goods Rs.1000 to James has been wrongly passed through the

purchase book.

**SECTION - C**

**Answer any two questions: (20x2=40)**

1. From the following trial balance of Mr. Gabriel Prepare Trading Profit & Loss A/c and Balance sheet for the year ended 31-12-2009

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Debit**  **Rs.** | **Credit**  **Rs.** |
| **Sundry debtors**  **Plant & machinery**  **Interest**  **Rent , rates & taxes**  **Freight**  **Wages**  **Sales returns**  **Purchases**  **Opening stock**  **Drawings**  **Direct expenses**  **Salaries**  **Advertising**  **Discount allowed**  **Bad debts**  **Furniture & fittings**  **Cash in hand**  **Bills receivable**  **Capital**  **Purchase returns**  **Sales**  **Sundry Creditors**  **Bank overdraft**  **Bills payable** | **92,000**  **20,000**  **430**  **5,600**  **1,320**  **7,000**  **5,400**  **1,50,000**  **60,000**  **22,000**  **1,350**  **11,200**  **840**  **600**  **800**  **10,000**  **2,060**  **12,000** | **70,000**  **2,600**  **2,50,000**  **60,000**  **8,000**  **12,000** |
|  | **4,02,600** | **4,02,600** |

***Adjustments:***

a) Stock on hand as on 31-12-2009 Rs.1,00,000

b) Provide depreciation on Furniture & fittings at 10%

c) Outstanding rent was Rs.500

d) Write off Rs. 800 as further bad debts

e) Prepaid salaries Rs.500

1. From the following Balance Sheet of Sheela Ltd as on 31-12-2006, Calculate:

(a) Current ratio (b) Quick ratio (c) Fixed asset turnover ratio (d) Debt equity ratio (e) Creditors turnover period (f) Stock turnover ratio (g) Selling & distribution expenses ratio (h) Gross profit ratio

(i) Operating profit ratio (j) debtors turnover ratio

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Rs.** | **Assets** | **Rs.** |
| **Equity share capital**  **6% Preference share capital**  **General reserve**  **Profit & Loss A/c**  **Bills payable**  **12% debentures**  **Creditors**  **Outstanding expenses**  **Bank overdraft** | **10,00,000**  **5,00,000**  **1,00,000**  **4,00,000**  **1,24,000**  **5,00,000**  **1,20,000**  **76,000**  **80,000** | **Plant & Machinery**  **Land & Buildings**  **Furniture**  **Closing Stock**  **Bills receivable**  **Cash at bank**  **Sundry debtors**  **Prepaid expenses** | **9,00,000**  **8,00,000**  **2,00,000**  **6,00,000**  **30,000**  **2,00,000**  **1,50,000**  **20,000** |
|  | **29,00,000** |  | **29,00,000** |

***Additional information:***

Gross profit = Rs.2,50,000 Sales = Rs.6,00,000

Opening stock = Rs.1,00,000 Purchases = Rs.2,00,000 Selling & distribution expense =Rs.50,000 Cash purchases=Rs.50,000

Administration expense =Rs. 10,000 Sale returns = Rs.20,000

1. Enter the following transactions in three-column cash book of Mr. Abishek for the month of March 2011

March 2011 Rs.

1 Cash balance 26,000

Bank balance (cr) 16,000

5 Paid rent by cheque 4,000

8 Withdrew cash for personal use

from the bank 2,250

10 Sunil settled his account for Rs.1,200

by giving a cheque for 1,150

15 Purchased machinery by cheque 3,600

17 Cash paid into bank 7,000

18 Received cheque from Kannan and

deposited into bank immediately 2,250

20 Purchased goods for cash 5,500

23 Sold goods to Mohan on credit 3,000

24 Cash sales 7,000

25 Paid cash to Shyam 1,850

Discount received from him 50

29 Mohan settled his account in full by giving 2,900

31 Paid salary by cheque 6,000

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