



# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

## B.Sc. DEGREE EXAMINATION – COMPUTER SCIENCE

FOURTH SEMESTER – APRIL 2017

### CO 4206- ACCOUNTS AND BUSINESS APPLICATIONS

Date: 29-04-2017  
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

#### SECTION A

Answer the following:

10 x 2 = 20

1. What is a narration?
2. What is posting?
3. Explain subsidiary books.
4. What is imprest system?
5. Why is a trading account prepared?
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. Prepare Trial Balance from the following balance of Beryl as on 31.12.2010:

|                 | ( Rs )   |              | ( Rs )   |
|-----------------|----------|--------------|----------|
| Capital         | 1,00,000 | Reserve Fund | 1,00,000 |
| Wages           | 20,000   | Bank Loan    | 40,000   |
| Stock (Opening) | 50,000   | Fixed Assets | 65,000   |
| Goodwill        | 60,000   | Machinery    | 45,000   |

9. True or False:  
a) Journal is a book of secondary entry.  
b) Land and building is a current asset.
10. Fill in the blanks:  
a)----- the receiver.  
b)-----book records all cash receipts and payments.

#### SECTION B

Answer any FOUR of the following:

4 x 10 = 40

11. Who are the parties interested in accounting information?
12. Define Depreciation. Explain the need for providing depreciation?
13. Difference between Journal and Ledger.
14. On 1<sup>st</sup> January 2008, a firm purchased an Machinery Account on Rs.2,50,000. On 31<sup>st</sup> December 2010 the machinery purchased on 1<sup>st</sup> 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 Ram Kumar Cash Book with Cash and discount Columns

|           |                                                    | Rs.         |
|-----------|----------------------------------------------------|-------------|
| 1992 Aug1 | Cash Balance                                       | 1,755       |
| 3         | Cash Sales                                         | 3,200       |
| 8         | Paid David<br>Discount allowed by him              | 1,475<br>25 |
| 14        | Sold goods to Mohammed on credit                   | 1,840       |
| 17        | Cash withdrawn for personal expenses               | 250         |
| 18        | Bought goods from Chandra on credit                | 1,430       |
| 21        | Paid Rent                                          | 500         |
| 24        | Paid into bank                                     | 2,175       |
| 26        | Cash received from Mohamed<br>Allowed him discount | 1,800<br>40 |
| 31        | Drew a cheque for office use                       | 1,650       |

16. Enter the following transactions in an analytical petty cash book of Mr.Senthil and balance the same. On 1<sup>st</sup> 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  |

17. From the particulars of Mr. Jacob, ascertain the Bank balance as per pass book on 31 December, 2003.

- The Bank Balance as per Cash Book was Rs 11, 500 on December 31, 2003.
- Cheques paid but not cashed before that date amounted to Rs 1,750.
- Cheques paid into Bank, but not cleared before December 31, 2003 amounted to Rs 2,150.
- 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.

**SECTION C**

Answer any TWO of the following:

2 x 20 = 40

18. The following figures relate to Francis Traders Ltd for the year ended 31.12.97.

**Trading & Profit & Loss Account**

| Particulars                       | Rs.             | Particulars                     | Rs.             |
|-----------------------------------|-----------------|---------------------------------|-----------------|
| To Opening Stock                  | 75,000          | By Sales                        | 5,20,000        |
| To Purchases                      | 3,25,000        | Less Returns                    | 20,000          |
| To Gross Profit                   | 2,00,000        | By Closing Stock                | 1,00,000        |
|                                   | <b>6,00,000</b> |                                 | <b>6,00,000</b> |
| <b>To Operating Expenses:</b>     |                 | By Gross Profit B/d             | 2,00,000        |
| Administration Expenses           | 40,000          | <b>By Non-Operating Income:</b> |                 |
| Selling Expenses                  | 25,000          | Dividend                        | 9,000           |
| <b>To Non-Operating Expenses:</b> |                 | Profit on sale of shares        | 11,000          |
| Loss on sale of assets            | 5,000           |                                 |                 |
| To Net Profit                     | 1,50,000        |                                 |                 |
|                                   | <b>2,20,000</b> |                                 | <b>2,20,000</b> |

Calculate:

- Operating Profit Ratio;
- Operating Ratio;
- Gross Profit Ratio;
- Net Profit Ratio;
- Expenses Ratio.

19. The following are the balances extracted from the books of Mrs. Archana 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           |               |
|                   | <b>40,500</b> | <b>40,500</b> |

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.

20. Enter the following transactions in the Journal and post them into the Ledger.

|             |                                   | Rs.      |
|-------------|-----------------------------------|----------|
| 1994 June 1 | Karthikeyan started business with | 1,00,000 |
| 2           | Purchased goods from Mohan        | 50,000   |
| 3           | Sold goods for cash               | 20,000   |
| 5           | Paid Mohan                        | 35,000   |
| 8           | Returned goods to Mohan           | 500      |
| 10          | Sold goods to Velu                | 15,000   |
| 15          | Purchased goods from Vadivel      | 20,000   |
| 20          | Velu returned goods               | 300      |
| 25          | Sold goods to Munusamy            | 10,000   |
| 28          | Paid Vadivel                      | 18,000   |
| 29          | Paid Stationery                   | 300      |
| 31          | Paid Salaries                     | 1,500    |
| 31          | Received Commission               | 2,000.   |

21. Explain the advantages and disadvantages of cash flow statement.

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