

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034
B.C.A. DEGREE EXAMINATION – COMPUTER APPLICATIONS
THIRD SEMESTER – NOVEMBER 2007
CO 3104/3102 - ACCOUNTS & BUSINESS APPLICATIONS

AV 14

Date : 02/11/2007
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART – A

Answer ALL questions

(10 x 2 = 20)

1. Classify the following items into Personal, Real and Nominal Accounts:
a. Rent b. Packing charges c. L.I.C of India d. Plant
2. State the rules double entry system of accounting.
3. What do you mean by Bank Reconciliation Statement?
4. Define Ratio Analysis.
5. Rectify the following errors:
(a) Purchase Book is overcast by Rs.2000
(b) Repairs made were debited to Buildings account Rs.2000
6. What is a 'Common Size Statement'?
7. Pass adjusting entries for the following transactions:
a. Insurance Premium prepaid Rs.3000
b. Commission received in advance Rs.4000
8. Prepare Single Column Cash Book of Mr. Radhakrishnan:
2007 Apr. 1 Started business with Cash Rs.100000 & Furniture Rs.400000
 7 Bought goods from Lucas for Cash Rs.18000
 18 Sold goods to Anwar on credit Rs.15000
 22 Bought a Computer for Cash Rs.38000
 30 Received interest Rs.5000
9. Mr. Simon purchased a second-hand bike for Rs.19000 and spent Rs.1000 towards over-hauling to bring it into use. The estimated life of the bike is 5 years and the scrap value is estimated at Rs.5000 at the end of its life time. Calculate the rate of depreciation under Straight Line Method.
10. Prepare a Trial balance as on 31-3-2007 from the following details:
Furniture Rs.20000 Capital Rs.80000 Cash Rs.10000
Wages Rs.3000 Loan from AXIS Bank Rs.50000 Rent received Rs.8000

PART – B

Answer any FIVE questions

(5 x 8 = 40)

11. Differentiate Single entry system of accounting from Double entry system of Accounting.
12. How do you classify errors in accounts?
13. Write Short notes on: (2 marks each)
(a) Subsidiary books (b) Current Assets (c) Bad debts (d) Working Capital

14. Journalise the following transactions in the books of Mr.Sekar:

- 2007 Sep1 Started business with Cash Rs.40000 and Stock Rs.360000
 3 Sold goods to Sagadevan on credit Rs.50000
 9 Final settlement received from Sagadevan Rs.49950.
 15 Bought a Mobile- Phone for Cash Rs.10000, out of which 40% of the payment made by cheque and the balance in cash.
 19 Received Interest Rs.3000 and paid salaries Rs.17000
 26 Sold away an unused Computer for cash Rs.8000, whose book value as on the date of sale was Rs.7500
 30 The proprietor took away furniture worth Rs.5000 for own use.

15. Prepare two column cash book with Cash & Discount columns in the books of Raj

Date	Particulars	Rs.
2007 April 1	Cash in Hand	65000
3	Sold goods for cash	45000
7	Bought goods from Gopal on Credit	25000
10	Final settlement made to Gopal	24900
	Discount Allowed by him	100
12	Sold goods to Kandan	50000
14	Final settlement made by Kandan	49500
	Discount allowed to him	500
19	Bought goods for cash	6000
25	Paid rent by cheque	8000
28	Paid into Bank	25000
29	Withdrew from Bank	3000
30	Withdrew from bank for own use	1000

16. M/s. Universe Pvt. Ltd., Pune, bought a Plant on 1-7-2002 for Rs.94000 and spent Rs.6000 for its erection. On 30-9-2003, the company bought a new plant costing Rs.50000 and on 31-12-2004, the company sold away the Plant which was bought on 1-7-2002 for Rs.65000. Depreciation was provided at 10% p.a. on the written down value basis and the accounts are closed on March 31st, every year. Prepare Plant account and depreciation account for three years.

17. M/s. Walter Ltd., Mumbai furnishes the following balance sheets for the years 2005 & 2006. You are required to prepare common size balance sheets:

Liabilities	2005 (Rs.)	2006 (Rs.)	Assets	2005 (Rs.)	2006 (Rs.)
Equity Share Capital	40000	60000	Plant & Machinery	80000	80000
Reserves & Surplus	120000	140000	Land & Buildings	120000	200000
15% Debentures	40000	60000	Stock	40000	60000
Sundry Creditors	60000	100000	Sundry Debtors	40000	50000
Bills Payable	20000	16000	Cash at bank	20000	10000
Tax payable	20000	24000			
	300000	400000		300000	400000

18. From the following particulars, prepare a Bank Reconciliation Statement as on 30th September, 2007:

- a. Balance as per Pass Book on 30-9-2007 was Rs. 6200
- b. The following cheques were paid into bank in Sep. 2007, but were credited by the bank in Oct.2007:
Prem Rs.350 Shyam Rs.250 Ram Rs.200
- c. The following cheques were issued in Sep.2007, but were presented for payment in Oct.2007: Raja Rs.400 & Rani Rs.450
- d. Our banker has paid Rs.15000 towards L.I.C. Money Plus Premium as per our standing instructions.
- e. Bank charges debited in the pass book Rs.120
- f. Pass book shows a credit of Rs.100 for interest
- g. Our customer Mr. Paul had directly paid into our account Rs.2000
- h. The Banker had wrongly debited Rs.300, which was rectified by them in Oct.2007.

PART – C

Answer any TWO questions (2 x 20 = 40)

19. Below is the given Trial Balance of Mr.Amar as on 31-3-2007. You are required to prepare Trading & Profit & Loss A/c for the year ended 31-3-2007 and a Balance sheet as on that date.

S.No	Particulars	Debit	Credit
		Rs.	Rs.
1	Capital		100000
2	Cash	20000	
3	Drawings	4000	
4	Wages	3000	
5	Rent received		17500
6	Insurance	6000	
7	Furniture	16000	
8	Return outwards		1200
9	Bad debts	1000	
10	Sales		250000
11	Customs duty	1500	
12	Debtors	21500	
13	Bank Loan		15000
14	Stock as on 1-4-2006	22000	
15	Return inwards	3000	
16	Purchase	180000	
17	Bills Receivable	12000	
18	Commission received		4300
19	Creditors		32000
20	Building	130000	
		420000	420000

Adjustments:

- (a.) Stock as on 31-3-2007 Rs.120000
- (b.) Depreciate Furniture at 10 % p.a. & Buildings @5% p.a.
- (c.) Wages outstanding Rs.2000
- (d.) Rent received in advance Rs.1500
- (e.) Charge interest on Capital @ 2%

20. From the following Balance Sheet of M/s.Arun Ltd., as on 31.3.07, you required to calculate :

- (a) Current ratio (b) Liquid ratio (c) Absolute Liquid ratio
- (d) Fixed assets ratio (e) Debt equity ratio (f) Stock turnover ratio
- (g) Proprietary ratio (h) Debtors turnover ratio

Liabilities	(Rs.)	Assets	(Rs.)
<u>Issued Capital</u> 4000 shares@Rs.100 each	400000	Plant	160000
Reserves & Surplus	180000	Closing Stock	296000
Sundry Creditors	260000	Debtors	142000
P & L Account	60000	Cash at bank	62000
9% Debentures	60000	Buildings	300000
	960000		960000

Additional information:

Opening Stock Rs.199000 Credit Sales Rs.1700000 Gross Profit Rs. 680000

21. Balance Sheets of M/s. Black & White as on 1.1.2003 & 31.12.2003 were as follows:

Liabilities	1.1.2003	31.12.2003	Assets	1.1.2003	31.12.2003
Creditors	40000	44000	Cash	10000	7000
White's loan	25000	----	Debtors	30000	50000
Loan from Bank	40000	50000	Stock	35000	25000
Capital	125000	153000	Machinery	80000	55000
			Land	40000	50000
			Buildings	35000	60000
	230000	247000		230000	247000

During the year a machine costing Rs.10000 (accumulated depreciation Rs.3000) was sold for Rs.5000. The provision for depreciation against the machinery as on 1.1.2003 was Rs.25000 and on 31.12.2003 was Rs.40000. Net profit for the year 2003 amounted to Rs.45000. Prepare Cash flow statement.