

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.C.A. DEGREE EXAMINATION – COMPUTER APPLICATION

THIRD SEMESTER – NOVEMBER 2009

CO 3104 / 3102 - ACCOUNTS & BUSINESS APPLICATIONS

Date & Time: 11/11/2009 / 9:00 - 12:00 Dept. No.

Max. : 100 Marks

PART – A
ANSWER ALL QUESTIONS

(10 X 2=20)

1. What is Accounting?
2. Give the meaning of convention of conservatism.
3. What is Original Cost Method of providing depreciation?
4. What is “Errors of Omission”?
5. What is Bank Reconciliation Statement?
6. From the following details prepare Purchase Book of M/s. Script Stationery Shop, Chennai for the month of April 2009.

Date	Particulars
Apr. 1	Bought from M/s. Camlin Ltd. on credit
	10 Gross Gel Pens @ Rs.10 each 5 Dozen Geometry Box @ Rs.50 each Trade Discount: 5 % on above items
April 12	Bought a Computer on credit for office use Rs.30000
April 15	Cash sales made Rs.3000
April 18	Cash purchases made Rs.10000
April 20	Bought from M/s. Eco-Paper Mart on credit
	20 Dozen “80 pages Note Books” @Rs.20 each 10 Gross “192 Pages Record Note Books” @ Rs.60 each Trade Discount: 10 % on above items
April 25	
April 30	Sold unused Furniture for Cash Rs.3000

7. From the following details, compute Creditors Turnover Ratio:
Total Purchases Rs. 200000, Cash purchases Rs.20000, Bills Payable Rs.10000
Creditors Rs.80000
8. Pass necessary adjusting entries for the following transactions:
(a) Unexpired Insurance Rs.5000 (b) Closing stock Rs.55000
9. M/s. Morning Star Ltd. bought a Lap-top costing Rs.35000 and spent Rs.5000 on its installation. The useful life of the computer is 5 years and its scrap value is Rs.8000 at the end of its life. Calculate the rate of depreciation under Fixed Instalment Method.
10. Prepare Bank Reconciliation Statement:
(a) Overdraft balance as per Pass Book Rs.30000
(b) Wrong debit found in the pass book Rs.5000

- (c) Cheque issued but not presented for payment till date Rs.10000
 (d) Cheque deposited into bank but not cleared till date Rs.7000

PART – B
ANSWER ANY FIVE QUESTIONS

(5 X 8=40)

11. Write the meaning of:
 (a) Current Liabilities (b) Real account (c) Going concern concept (d) Trial Balance
12. What are the advantages of double entry accounting?
13. Differentiate fund flow analysis from cash flow analysis.
14. Record the following transactions in the analytical petty cash book of Mr. Varun

Date	Particulars	Rs.
2009, Apr 1	Received from Main cashier for petty cash	1500
2	Paid Bus fare	100
5	Bought stamps	50
7	Paid for carriage	250
12	Paid for Telegrams	75
14	Paid for auto	120
19	Bought Inland letters	30
22	Paid for Printing Charges	300
28	Paid for Office cleaning	100

15. From the following Balance Sheets of M/s. Ram & Laxman Ltd. for the year 2009, you are required to prepare common size balance sheets.

LIABILITIES	Ram Ltd	Laxman Ltd	ASSETS	Ram Ltd.	Laxman Ltd
Equity Share Capital	20000	30000	Furniture	40000	40000
Reserves	60000	70000	Machinery	60000	100000
18% Debentures	20000	30000	Stock	20000	30000
Sundry Creditors	40000	58000	Debtors	30000	30000
Bills Payable	10000	12000			
	150000	200000		150000	200000

16. On 1.1.2006 M/s. Plywood Ltd. bought Furniture for Rs.94000 and spent Rs.6000 towards its fitting charges. On 1.7.2007, the company bought additional furniture costing Rs.30000. On 1.7.2008, the furniture bought on 1.1.2006 was sold for Rs.40000. The company charges depreciation at 10% p.a. on Original cost and closes its accounts on 31st December every year. You are required to prepare Furniture A/c. and Depreciation a/c. for three years ending on 31.12.2008.
17. Ascertain the operating profit before Working Capital changes from the following details:
 Net profit before Tax & extraordinary items Rs.200000
 Dividend received on long-term investment in shares Rs.40000

Interest received on long-term investment in debentures Rs.30000
 Goodwill written off Rs.20000
 Discount on issue of shares written off Rs.10000
 Preliminary expenses written off Rs.25000
 Depreciation on fixed assets Rs.65000
 Profit on sale of equipment Rs.10000
 Loss on sale of long term investments Rs.8000

18. The book keeper of a firm has investigated the following errors in the suspense account. You are required to rectify the errors and prepare Suspense account.
- Goods purchased from Madan amounting Rs.660 has been posted to the debit of his account as Rs.60 in the purchases book
 - Purchase book was undercast by Rs.600
 - Purchase of a Computer for cash Rs.25000 was fully omitted to be recorded
 - Sale of old furniture to Mr.Wood on credit Rs.1000, is wrongly credited in his account.
 - Sales returns book was overcast by Rs.2000
 - Cash paid to Anitha Rs.1000, is wrongly recorded in Vanitha account.

PART – C
ANSWER ANY TWO QUESTIONS

(2 X 20=40)

19. Given below is the Profit & Loss account of Mr. Jerome. You are required to redraft the Profit & Loss account and calculate profitability and expenses ratios.

Particulars	Rs.	Particulars	Rs.
To Opening stock	200000	By Sales	1600000
To Purchases	1200000	By Closing Stock	320000
To Administration expenses	120000	By Dividend received	4000
To Selling expenses	80000		
To Financial expenses	40000		
To Loss on sale of assets	10000		
To Net Profit	279000		
	1924000		1924000

20. From the following details extracted from the books of Mr. Vijay, you are required to pass journals entries and post them into ledger accounts. Also prepare a Trial Balance as on 30-06-2009.

Date	Particulars
June 1	Started business with cash Rs.50000 and Plant Rs.150000
5	Bought goods for cash Rs.5000

7	Sold goods for cash Rs.25000
9	Sold goods to Ganesh on credit Rs.10000
12	Received a cheque from Ganesh Rs.10000
15	Paid into Bank Rs.12000
19	Withdrew from Bank Rs.1000
24	Deposited Ganesh cheque into Bank Rs.10000
28	Received Commission Rs.500
30	Paid Rent Rs.5000 and Salaries Rs.15000

21. From the following Trial Balance of Mr.Karan , prepare Trading and Profit & Loss account for the year ended 31-3-2009 and a Balance Sheet as on that date.

Particulars	Debit (Rs.)	Credit (Rs.)
Stock as on 1-4-2008	150000	
Purchases	130000	
Sales		300000
Carriage inwards	2000	
Salaries	50000	
Printing Charges	8000	
Drawings	17000	
Suppliers account		20000
Customers account	280000	
Furniture	10000	
Capital		250000
Telephone Charges	7500	
Insurance Premium	4000	
Machinery	41500	
Bank Loan		125000
Rent received		5000
	700000	700000

Additional information:

- (a) Stock as 31-3-2009 was Rs.500000
- (b) Charge interest on Drawings @ 5% p.a.
- (c) Prepaid Insurance Rs.1000
- (d) Salaries due Rs.10000
- (e) Write off bad debts @2% on debtors.

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