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SAINTGITS COLLEGE OF ENGINEERING KOTTAYAM, KERALA

(AN AUTONOMOUS COLLEGE AFFILIATED TO
APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

FIRST SEMESTER INTEGRATED M.C.A DEGREE EXAMINATION(S), JULY 2021

Course Code: 20IMCAT109

Course Name: FUNDAMENTALS OF ACCOUNTANCY

Max. Marks: 60

Duration: 3 Hours

PART A

(Answer all questions. Each question carries 3 marks)

1. What is money measurement concept?
2. What is capital expenditure?
3. What do you mean by narration?
4. What do you mean by posting?
5. What do you mean by cost of goods sold?
6. How do you show prepaid expenses in final accounts?
7. Define depreciation.
8. What is Diminishing Balance Method?
9. Define financial statements.
10. What do you mean by vertical analysis?

PART B

(Answer one full question from each module, each question carries 6 marks)

MODULE I

11. a) Distinguish between book keeping and Accounting. (3)
- b) Who are the external users of accounting information? (3)

OR

12. a) Explain the advantages of Accounting. (3)
- b) What are the limitations of Accounting? (3)

MODULE II

13. a) Explain the objectives of preparing Trial Balance. (3)
- b) Explain the difference between Journal and Ledger. (3)

OR

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14. a) Journalise the following transaction (3)
- a. June 1-started business with cash- ₹ 45,000
 - b. June 1- paid into bank- ₹ 25,000
 - c. June 2- goods purchased for cash- ₹ 15,000
 - d. June 3- purchased furniture and paid cheque- ₹ 5,000
 - e. Sold goods for cash- ₹ 85,000
 - f. Paid telephone rent - ₹ 4,000

- b) Explain the accounting rules of journalising a transaction. (3)

MODULE III

15. a) Explain the following adjustments and its treatment in final accounts (3)
- a. Closing stock
 - b. Outstanding expenses
 - c. Bad debts

- b) From the following information find out opening stock (3)
- Sales ₹ 2,00,000
 - Gross Profit 25% on cost of sales
 - Purchases ₹ 1,50,000
 - Closing Stock ₹ 25,000

OR

16. From the following trial balance of Mr Kelkar, prepare Trading and Profit and Loss Account for the year ended 31st March 2010 and a Balance sheet as on that date after taking into the adjustments (6)

Trial Balance as on 31st March 2010		
Drawings	4,500	
Purchases	20,000	
Return inwards	1,500	
Opening Stock	8,000	
Salary	4,200	
Wages	1,200	
Rent	350	
Bad debts	400	
Discounts	700	
Sundry Debtors	14,000	
Cash in hand	260	
Cash at Bank	5,940	
Insurance	400	
Trade expenses	300	
Printing	150	
Furniture	2,000	
Machinery	5,000	
Capital		24,000
Sales		30,500
Discounts		1,900
Sundry Creditors		10,000
Bills Payable		2,500
	68,900	68,900

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Adjustments:

- a. Closing stock was valued at ₹ 7000
- b. Insurance was prepaid to the extent of ₹ 60
- c. Outstanding salary Rs.200 and Wages ₹ 200
- d. Calculate Interest on capital @ 5% p.a
- e. Depreciate Machinery at 5% and furniture at 10%

MODULE IV

- 17. a) Explain the need for providing depreciation. (3)
- b) What are the causes of depreciation? (3)

OR

- 18. Explain the different methods of charging depreciation. (6)

MODULE V

- 19. a) Explain the nature of financial statements. (3)
- b) Explain the limitations of financial statements. (3)

OR

- 20. From the following income statement of X Ltd prepare a Common size Income statement and interpret the result (6)

Particulars	For the year ended(₹ in Lakhs)	
	31 march 2019	31 march 2020
Net Sales	1,370	1,442
Less: cost of goods sold	838	929
Gross Profit	532	516
Less operating profit:		
Administrative expenses	94	92
Selling expenses	188	182
Operating profit	250	242
Add: Other Income-Dividend	44	50
	294	292
Less Other Deductions-Interest paid	44	44
Net profit before tax	250	248
Less Income tax	124	124
Net profit tax	126	124
