

QP CODE 2025512496

Reg.No:

DMI-ST. EUGENE UNIVERSITY
DEGREE EXAMINATION – DECEMBER – 2022

SEM: II

551AC24 FUNDAMENTALS OF ACCOUNTING II

Time: 3 Hours

Max. Marks: 100

Answer any Five questions (5 x 20 = 100 Marks)

1. a) What is the meaning of depreciation? (2 Marks)
- b) Explain in detail the causes of depreciation. (12 Marks)
- c) What is capital expenditure? (2 Marks)
- d) Explain shortly the chance of obsolescence. (4 Marks)
2. a) Explain the importance of capital expenditures. (8 Marks)
- b) Write down any four examples of revenue expenditure. (4 Marks)
- c) Calculate the net profit from the following;

Particulars	Amount
Salaries	5,000
Advertising	4,000
Office expenses	3,000
Discount allowed	500
Gross profit	18,000
Discount received	500

(8 Marks)

3. a) From the following trial balance of a trader, make out a Trading and Profit and Loss account and Balance Sheet as on 31st March, 2014.

	K		K
Purchases	105,000	Sales	420,000
Printing Charges	2,500	Capital	174,800
Wages	77,500	Discount received	1,250
Salaries	12,500	Loan	175,000
Opening Stock	225,000		
Carriage Inwards	8,800		
General Expenses	26,250		
Trade Marks	5,000		
Rates and Taxes	2,500		
Buildings	200,000		

Furniture	25,000		
Machinery	50,000		
Cash	1,000		
Bank	30,000		
Total	771,050	Total	771,050

Adjustments:

- (i) The closing stock was valued at K320, 000.
 - (ii) Outstanding Salaries K10,000.
 - (iii) Prepaid rates & taxes K500. (12 Marks)
- b) Write down shortly on discount on debtors. (4 Marks)
- c) Describe in short the interest on drawings. (4 Marks)

4. a) Mr. Banda started business with k200, 000 on 1st April 2013. His books are kept under single entry. On 31st march, 2014 his position as under:

Liabilities	Amount	Assets	Amount
Sundry creditors	40,000	Cash in hand	6,000
Bills payable	5,000	Cash at bank	10,000
Outstanding creditors	7,500	Furniture	30,000
		Plant & machinery	100,000
		Sundry debtors	50,000
		Stock	90,000
		Bills receivable	15,000

Ascertain the profit or loss made by Mr. Banda for the year ended 31st march 2014. (12 Marks)

- b) Explain the features of single entry system. (8 Marks)
5. a) What is data manager? (2 Marks)
- b) Elucidate in short data manipulation language. (6 Marks)
- c) Explain with example the data models. (12 Marks)
6. a) Define depreciation. (2 Marks)
- b) Explain in detail the objective of depreciation. (12 Marks)
- c) What is the scrap value of an asset? (2 Marks)
- d) Firm bought machinery for k 5,500 on 1-1- 2000 and life was estimated to be 10 years. Scrap value at the end of the period is k500. Calculate the amount of depreciation using the straight line method. (4 Marks)
7. a) Define financial statement. (2 Marks)
- b) Describe the users of financial statement. (12 Marks)
- c) Prepare the trading account from the following transaction

Particulars	Amount
Opening balance	23,000
Purchases	25,000

Sale returns	100
Sale	20,000
Purchase returns	250
Closing stock	5,000
Carriage inwards	50

(6 Marks)