

1505230017

**DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/
MANAGEMENT/COMMERCIAL PRACTICE, NOVEMBER - 2023**

ACCOUNTANCY III

(Maximum Marks:100)

(Time: 3 Hours)

PART - A
(Maximum Mark : 10)

Marks

- I. **Answer all the questions in one or two sentences. Each question carries 2 marks.**
1. State the meaning of receipts and payment account.
 2. What is Balance Sheet?
 3. State the meaning of annuity method.
 4. Define consignment account.
 5. List out the factors of depreciation. (5 x 2 = 10)

PART - B
(Maximum Mark: 30)

- II **Answer any five questions from the following. Each question carries 6 marks.**

1. From the following calculate the amount to be shown in income and expenditure account, in respect of stationery.

Payments made for stationery during the year 2009 ₹720

Stock of stationery on opening date ₹60

Stock of stationery on closing date ₹80

Amount due for stationery bought during the year 2009 ₹120

2. Write the features of income and expenditure account.
3. Differentiate between Balance Sheet and Statement of affairs.
4. Calculate credit sales by preparing Total debtors Account

Opening debtors	16,200
Cash received from debtors	84,000
Bills receivable from debtors	32,000
Goods returned by debtors	4,500
Bad debts written off	3,000
Discount allowed	6,000
Closing debtors	22,000

5. On 1st January 2012 Chand Ltd., purchased a machinery for ₹60,000/- and spent ₹10,000/- on its erection. The machinery is depreciated @20% per annum. Prepare machinery account for first two years under the depreciation method of Fixed Installment Method.
6. Write a note on revaluation method of depreciation.
7. Distinguish between invoice and proforma. (5 x 6 = 30)

PART – C

(Maximum mark: 60)

(Answer one full question from each unit. Each full question carries 15 marks.)

UNIT - I

- III The following is the receipts and payment account of sevens club, Trivandrum for the year ended 31st December 2015.

Receipts and Payment Account

Dr.		Cr.	
Receipts	Amount	Payments	Amount
Balance b/d	7400	Salary	4200
Subscription (Including 2009 – ₹300, 2011 – ₹200)	12000	General expenses	4500
		Newspaper, magazine etc	1500
		Books	3000
Entrance fees	1000	Printing and Stationery	1500
Miscellaneous collections	3000	Balance c/d	8700
	23,400		23,400

The following further information is given	1.1.2010	31.12.2010
Salary outstanding	300	450
Stock of stationery	120	160
Due for stationery	300	410
Books	4000	5500
Furniture	5000	

Furniture requires a depreciation of 10% per annum. Prepare Income and expenditure account and balance sheet as on 31st December 2015. (15)

OR

- IV (a) Describe Receipts and Payment account and Income and Expenditure Account. (10)
- (b) What are the features of balance sheet of a non-trading concern? (5)

UNIT – II

- V On 1st January 2011 Mr. Ramamoorthy started business with ₹40,000/-.
On the same day he purchased furniture ₹5,000/- the following were his transaction for the year 2011.

Total purchases (cash purchases ₹45,000/-)	90,000
Total sales (cash sales ₹72,000/-)	1,25,000
Wages paid	5,200
Rent paid	3,600
Business expenses	2,800
Personal drawings	3,000

- On 31st December 2011 stock of goods was valued are ₹12,600/-,
Sundry debtors were ₹10,500/- and sundry creditors were ₹8,000/-. Wages are outstanding ₹800/-. Depreciation of furniture @10% is required.
Prepare trading and Profit and loss account for the year ended 31st December 2011 and balance sheet as on that date. (15)

OR

- VI Explain the meaning of single-entry system. List out the advantages and disadvantages of single-entry system. (15)

UNIT – III

- VII On 1st January 2020 a company bought plant and machinery costing ₹45,000/- and Spent ₹5,000/- on its erection. Addition is made on 1st July 2009 for ₹20,000/-.
Depreciation is provided @10% per annum. Prepare plant and machinery account and depreciation account for 4 years under,
1. Fixed installment system
 2. Diminishing installment system (15)

OR

- VIII (a) Describe the objectives of Depreciation. (8)
(b) Explain the causes of depreciation. (7)

UNIT – IV

- IX X Ltd consigned goods of the cost of ₹1,20,000/- to his agent Y Ltd paid ₹1,500/- For packing and forwarding, ₹3,500/- for freight and ₹1,000/- for insurance in transit. On delivery of goods Y Ltd paid ₹5,500/- for duty and clearing charges and brought godown after spending ₹500/- loading and unloading. The Consignee paid ₹1,200/- for advertisement, ₹400 for godown rent and ₹1800/- for salesmen salary. He sold 5/6 of the goods for ₹1,40,000/- for which he get a commission of 4% plus 1% delcredere commission. Prepare important ledger accounts in the books of both the parties and also show valuation of unsold stock. (15)

OR

- X (a) State the difference between consignment and sales. (10)
(b) Write a note on accounting procedures in the books of consignor. (5)

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