**Assignment**

**DCM 1103 – FUNDAMENTALS OF ACCOUNTING I**

**Set-1st**

|  |
| --- |
| **1. Enter the following transactions in the double column cash book of Mr. Rajesh and balance it.****Aug 2021.****1 Opening Balance: Cash in Hand Rs.4,250****Cash at Bank Rs.13,750****2 Paid to petty cashier Rs.2,500****2 Cash sales Rs.1,750****3 Paid to Arun by cheque Rs.3,750****3 Received a cheque from Mr. Ram Babu Rs.4,500 paid into bank.****5 Received cheque from Mr. Jayaraman Rs.6,000 paid into bank****8 Cash purchases Rs.2,500****8 Paid rents by cheque Rs. 2,500****9 Cash withdrawn from bank for office use Rs.2,500****10 Cash sales Rs.3,750****14 Stationery purchased Rs.1,000****20 Cash sales Rs.6750****21 Paid into bank Rs.10,000****23 Withdrew cash for personal use Rs.1,000****25 Salaries paid by cheque Rs.9000.** |

|  |  |  |
| --- | --- | --- |
| **Answer** | **Double Column Cash Book of Mr. Rajesh** |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Date**  | **Particular's** | **L.F** | **Cash Rs.** | **Bank Rs.** |  | **Date**  | **Particular's** | **L.F** | **Cash Rs.** | **Bank Rs.** |
|   |   |   |   |   |   |   |   |   |   |   |
| **1 Aug.** | **To Balance b/d** |  | **4250** | **13750** |   | **2 Aug.** | **By Pettry Cash A/c**  |  | **2500** |  |
| 2 Aug. | To Sales A/c  |   | 1750 |   |   | 3 Aug.  | By Arjun's A/C |   |   | 3750 |

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**2. a) Explain the convention of consistency.**

**Ans Introduction:** The convention of consistency means that same accounting principles should be used for preparing financial statements year after year. A meaningful conclusion can be drawn from financial statements of the same enterprise when there is comparison between them over a period of time. But

**3. a) List the users of accounting information.**

**Answer:**

Different categories of users need different kinds of information for making decisions. These users can be divided into:

**1. Internal Users**

**2. External Users.**

**1. Internal Users:**

|  |
| --- |
| **b) Describe the transactions from the following Journal Entries.****1. Cash A/C Dr** **Furniture A/C****2. Rent A/c Dr** **To Cash A/c****3. Bank A/c Dr** **To Cash A/c****4. KPR Ltd A/C Dr** **To Sales A/C****5. Salary A/C Dr** **To Cash A/C** |

**Ans: Descirbe the journal entries.**

**Set – 2nd**

**4. From the following information, prepare the final accounts of Sriram ltd. On 31st March 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount** | **Particulars** | **Amount** |
| Capital | 190000 | Cash at Bank | 26000 |
| Drawing | 7000 | Salaries | 8000 |
| Plant & Machine | 120000 | Repairs | 1900 |
| Delivery vehicle | 26000 | Stock on 1st April 2020 | 16000 |
| Sundry debtors | 36000 | Rent | 4500 |
| Sundry creditors | 26000 | Manufacturing Expenses | 1500 |
| Purchases | 20000 | Bills Payable | 23500 |
| Wages  | 8000 | Bad debts | 5000 |
| Sales | 42000 | Carriage Inwards | 1600 |

**Additional Information:**

**1. Closing stock was Rs.16000**

**2. Depreciate Plant & Machine @10% and delivery vehicle @15%**

**3. Unpaid rent amounted to Rs.500**

**Ans:**

**Prepare the Final Accounts of Sriram ltd. On 31st March 2021**

|  |  |  |
| --- | --- | --- |
| **Trading Account**  |  |  |
| **for the year ended 31 March 2021** |
|  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Dr** |  |  |  |  | **Cr** |
|  | **Particular's** |  **Amount** | **particular's** | **Amount** |  |
|   | To Opening Stock | 16000 | By Sales  | 42000 |  |
|   |  To Purchase | 20000 | By Closing Stock | 16000 |  |

**5. Describe types of Clerical Errors in accounting.**

**Ans: Introduction:** Errors can be categorised into the four categories below, based on their nature:

1. Errors of Omission

2. Errors of Commission

3. Errors of Principle

4. Compensating Errors

Content: 1. Errors of Omission: When a transaction is entirely or partially missed out from being recorded in the

**6. a) Explain the advantages of single-entry system.**

**Ans: ADVANTAGES OF SINGLE ENTRY SYSTEM:-**

* **Straightforward Approach:** It is a single entry method of recording commercial transactions is relatively simple.
* **Less Expensive:** When compared to Double Entry, it is less expensive.
* **It is Best for Small Businesses:** It is best for modest businesses with a limited number of transactions as well as few assets and liabilitie

**b) Discuss the procedure for issuing Accounting Standards.**

**Ans**: **Procedure for Issuing Accounting Standards**

* Accounting Standard Board (ASB) determines the broad areas in which Accounting Standards (AS) need to be formulated and assisted by the Study Groups.
* ASB also