

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023
(First Semester)

Branch – COMMERCE (PROFESSIONAL ACCOUNTING)

ACCOUNTANCY - I

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 The accounting practices should remain the same from one year to another per ____.
(i) Convention of consistency (ii) Conservatism
(iii) Disclosur (iv) None of the above
- 2 The process of entering all transactions from journal to ledger is called ____
(i) Posting (ii) Entry
(iii) Accounting (iv) Accounts
- 3 Depreciation is provided on ____.
(i) Current Asset (ii) Fixed Asset
(iii) Fictitious Asset (iv) Investment
- 4 Bank reconciliation statement compares a bank statement with ____
(i) Cash Payment Journal (ii) Cash Receipt Journal
(iii) Financial Statement (iv) Cash book
- 5 If payment is made on the average due date it results in ____
(i) Loss of interest to the creditor (ii) Loss of interest to the debtor
(iii) No loss of interest to anyone (iv) None of these

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Write about the objectives of Accounting.
OR
b State the meaning of Contingent Assets and Contingent Liabilities.

- 7 a Journalise the following.

1.	Purchased goods for cash Rs.10,000
2.	Purchased stationery for cash Rs.500
3.	Paid rent to Krishna, the landlord Rs.800

OR

- b Prepare a bank reconciliation statement from the following details.
Balance as per cash book 7,225
Cheque deposited into bank but not collected Rs675
Cheque issued but not presented for payment Rs.879
Bank charges debited in the pass book Rs.20
Interest credited in the pass book Rs.15.
- 8 a Describe the methods of depreciation
OR
b Hasan purchased a machine on 1st Jan 2009 at Rs.14,400. The scrap value after ten years, time is expected to be Rs.3400. If depreciation is written off by equal instalments every Dec.31, show the Machinery a/c for the first three years. Calculate the rate of depreciation.

Cont...

- 9 a Mala purchased goods for Rs.3000 from Kala on 1.4.2009. Mala accepted a three months bill for amount and gave it to Kala the same day. Kala discounted it immediately with Indian bank at discount of 5% p.a. On due date the bill was honoured by payment. You are required to give entries in the books of drawer.

OR

- b Give the format for the consignment.

- 10 a X purchased goods on credit. His due dates for payments were as under.

Date of Bill	Amount of bill	Due date
5.3.2005	300	8.4.2005
15.4.2005	200	18.5.2005
10.5.2005	275	13.6.2005
5.6.2005	400	8.7.2005

OR

- b Make out an account current to be rendered by Madhan to Satish Kumar for the half year ending 30th June 2017 in respect of the following transactions appearing in the books of Madhan.

1 st Jan	Satis kumar owes Madhan	6000
1 st March	Satish kumar remits cash	1800
1 st April	Satish kumar buys goods from Madhan	2400
1 st May	Satish umar remits cash	3600

Interest is to be taken into account @ 10% p.a.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 List out the difference between Capital Expenditure and Revenue Expenditure.

OR

- 12 Prepare a bank reconciliation statement from the following data as on 31.12.2018.

1. Balance as per cash book Rs.12,500
2. Cheques issued but not presented for payment Rs.900
3. Cheques deposited in bank but not collected Rs.1200
4. Bank paid insurance premium Rs.500
5. Direct deposit by a customer Rs.800
6. Interest on investment collected by bank Rs.200
7. Bank charges Rs.100

- 13 Mr. Shanmugavel purchased a machine for Rs.8000 on 1st April 2000. He spent Rs.3,500 on it installation. Depreciation is written off @10% p.a. on the original cost. On 30th June 2003, the machine was found to be unsuitable and sold for Rs.6500. Prepare the Machine account from 2000 to 2003 assuming that the accounts are closed on 31st Dec. every year.

- 14 Balan of Bangalore consigned 190 bags of sugar to Raghu of Chennai, invoicing goods at Rs.180 per bag. Balan paid Rs.1200 as cartage and other expenses. The consignor drew a bill of exchange for Rs.12000 which was later discounted at 11800. The consignee rendered an account sales showing the following details.

- i) 100 bags sold at Rs.240 each on credit
- ii) 90 bags sold at Rs.230 each for cash
- iii) Freight & Carriage Rs.2000
- iv) Transit insurance Rs.600
- v) Storage & Insurance Rs.1000
- vi) Commission 5%

The consignee sent a sight draft for the amount due. You are required to prepare ledger accounts in the books of both the parties assuming that the consignee incurred a bad debt of Rs.400

- 15 Kannan purchased goods from Raman, the due dates for payment in cash being as follows.

Mar.15	1000	Due 18 th April
Apr 21	1500	Due 24 th May
Apr 27	500	Due 30 th June
May 15	600	Due 18 th July

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain that date.