

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2023
(First Semester)

Branch - (BANKING, STOCK & INSURANCE)

INTRODUCTION TO FINANCIAL ACCOUNTING

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Find the Choose Going concern concept is a A) Business as a going concern B) Business on realizing values C) Business as a dissolving concern D) None of the above	K1	CO1
	2	Trial balance shows A) Only Debit Balance B) Both Debit and Credit balance C) Only Credit balance D) None of the above	K1	CO1
2	3	Relate the following financial statements provides a snapshot of a company's financial position at a specific point in time. A) Income Statement B) Statement of Retained Earnings C) Cash Flow Statement D) Balance Sheet	K2	CO2
	4	Infer which type of error occurs when a transaction is completely omitted from the accounting records? A) Error of omission B) Error of commission C) Error of principle D) Error of original entry	K2	CO1
3	5	Outline average due date in accounting. A) The date when all bills are due at once B) The date when the total of all outstanding bills is due C) The date when an individual bill is due D) The date when the average income is received	K3	CO3
	6	Select who is the accommodated party in an accommodation bill? A) The person who endorses the bill B) The person who pays the bill C) The person who receives the goods or services D) The person who benefits from the credit	K3	CO3
4	7	Choose the Unfavorable bank balance A) Credit balance in the cash book B) Debit balance in the cash book C) Credit balance in the pass book D) None of the above	K4	CO4
	8	Find the Bank reconciliation statement compares a bank statement with _____ A) Cash payment journal B) Cash receipt journal C) Financial statements D) Cashbook	K4	CO4
5	9	Compare with the depreciation recorded in accounting. A) To reflect the current market value of an asset B) To track the physical deterioration of an asset C) To allocate the cost of an asset over its useful life D) To calculate the potential resale value of an asset	K5	CO5
	10	Choose the Indian Accounting Standards established in the year A) 1963 B) 1973 C) 1983 D) 1993	K5	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Journalise the following transactions in the book of Mr. Joseph 2019, March 1 Started Business with cash Rs.200000 2 Deposited into Bank Rs. 50000 3 Goods purchased for cash Rs. 15000 5 With draw from bank for office use Rs. 2000 7 Credit sales to Johnson Rs.4500 9 Credit purchase from Vijay Rs.6000	K1	CO1
		(OR)		
	11.b.	From the following transactions find out the Simple Cash Book of Mr. Sai 2022 Jan. 2 Cash in hand Rs. 25000 4 Received from Ram Rs. 1000 10 Paid salaries Rs. 100 11 Sold goods Rs. 500 14 Paid Sampath Rs. 3000 26 Purchased Machinery Rs. 1200 30 Paid Telephone charge Rs. 500		
2	12.a.	Show the Trading Account of Ms. Latha for the year ending 31.12.2020 from the following information. Sales Rs. 1440000 Purchase returns Rs. 10000 Opening stock Rs. 80000 Purchases Rs. 860000 Freight Inward Rs. 52000 Wages Rs. 24000 Sales returns Rs. 316000 Closing stock Rs. 100000 Import duty Rs. 30000	K2	CO2
		(OR)		
	12.b.	Interpret the different types of errors in accounting.		
3	13.a.	On 1 st January, A drew a Bill on B for Rs. 1,000 payable after three months. B accepted the Bill and returned it to A. After 10 days A endorsed the Bill to his Creditor C. On the due date, the Bill was dishonored and C paid Rs. 5 as noting charges. Solve the transactions in the journals of A, B and C	K3	CO3
		(OR)		
	13.b.	X owes Y the following sums of money due from him on the dates stated: Rs. 3,000 due on March 10, 2007 10,000 due on April 2, 2007 40,000 due on April 30, 2007 1,000 Due on June 10, 2007 He wants to make the complete payment on 30th June, 2007. Identify the interest at 15% per annum with the help of average due date method.		

4	14.a.	From the following particulars, examine the bank balance as per cash book of Rajkumar as at 31st March 2022 i) Credit balance as per passbook as on 31.3.2022 Rs. 2500 ii) Bank charges of Rs. 60 had not been entered in the cash book. iii) Out of the cheque of Rs. 3500 paid into bank a cheque of Rs.1000 was not yet credited by the banker. iv) Out of the cheque issued for Rs. 4500, Cheque of Rs. 3800 only were presented for payment. v) A dividend of Rs. 400 was collected by the banker directly but not entered in the cash book. vi) A cheque of Rs. 600 deposited had been dishonored prior to 31.3.2022 but no entry was made in the cash book.	K4	CO4
	(OR)			
	14.b.	Analyze the term Contingent assets and liabilities.		
5	15.a.	A Machinery was purchased Rs.17000 on 1.10.2018. Installation expenses incurred Rs.3000. Account were closed on 31st March and Depreciation charged at 10% on written down value method. On 31.3.2021 it was sold for Rs.10000. Justify the Machinery account for all the years.	K5	CO5
	(OR)			
	15.b.	Explain the importance of Accounting Standards.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO																																																				
1	16	List out the various accounting concepts.	K1	CO1																																																				
2	17	<p>From the following Trial Balance, show the Trading, Profit & Loss A/c for the year ended 31-12-2022 and a Balance Sheet as on that date.</p> <p style="text-align: center;">Trial Balance</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Rs.</th> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Purchases</td> <td>11870</td> <td>Capital</td> <td>8000</td> </tr> <tr> <td>Debtors</td> <td>7580</td> <td>Bad debts recovered</td> <td>250</td> </tr> <tr> <td>Return inwards</td> <td>450</td> <td>Creditors</td> <td>1250</td> </tr> <tr> <td>Bank deposit</td> <td>2750</td> <td>Return Outwards</td> <td>350</td> </tr> <tr> <td>Rent</td> <td>360</td> <td>Bank overdraft</td> <td>1570</td> </tr> <tr> <td>Salaries</td> <td>850</td> <td>Sales</td> <td>14690</td> </tr> <tr> <td>Travelling expenses</td> <td>300</td> <td>Bills payable</td> <td>1350</td> </tr> <tr> <td>Cash</td> <td>210</td> <td></td> <td></td> </tr> <tr> <td>Opening Stock</td> <td>2450</td> <td></td> <td></td> </tr> <tr> <td>Discount allowed</td> <td>40</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td>600</td> <td></td> <td></td> </tr> <tr> <td></td> <td>27460</td> <td></td> <td>27460</td> </tr> </tbody> </table> <p>Adjustments:</p> <p>i) The Closing Stock on 31-12-22 was Rs. 4200 ii) Write off Rs. 80 as bad debts and create a reserve for bad debts at 5% on sundry debtors iii) Three month rent is outstanding.</p>		Rs.		Rs.	Purchases	11870	Capital	8000	Debtors	7580	Bad debts recovered	250	Return inwards	450	Creditors	1250	Bank deposit	2750	Return Outwards	350	Rent	360	Bank overdraft	1570	Salaries	850	Sales	14690	Travelling expenses	300	Bills payable	1350	Cash	210			Opening Stock	2450			Discount allowed	40			Drawings	600				27460		27460	K2	CO2
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3	18	<p>Sunil is a partner in a firm Sampath, Saravana & Co. His drawings from the business during the year 2021 are as follows :</p> <table border="0"> <thead> <tr> <th>Month</th> <th>Rs.</th> <th>Month</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Jan. 31</td> <td>150</td> <td>Jul. 31</td> <td>250</td> </tr> <tr> <td>Feb. 28</td> <td>100</td> <td>Aug. 31</td> <td>150</td> </tr> <tr> <td>Mar. 31</td> <td>160</td> <td>Sep. 30</td> <td>120</td> </tr> <tr> <td>Apr. 30</td> <td>200</td> <td>Oct. 31</td> <td>100</td> </tr> <tr> <td>May 31</td> <td>140</td> <td>Nov. 30</td> <td>180</td> </tr> <tr> <td>June 30</td> <td>70</td> <td>Dec. 31</td> <td>300</td> </tr> </tbody> </table> <p>You are required to solve the Average Due Date and the amount of interest @ 10% p.a. payable by Sampath for his transactions, taking Dec. 31 as the basic date.</p>	Month	Rs.	Month	Rs.	Jan. 31	150	Jul. 31	250	Feb. 28	100	Aug. 31	150	Mar. 31	160	Sep. 30	120	Apr. 30	200	Oct. 31	100	May 31	140	Nov. 30	180	June 30	70	Dec. 31	300	K3	CO3
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4	19	<p>From the following particulars inspect the bank balance as per bank pass of Mrs.Latha as on 31.12.2021.</p> <ol style="list-style-type: none"> Bank overdraft as per cash book on 31.12.2021 Rs. 6,000 Interest on overdraft for six months ending 31.12.2021 Rs. 200 is debited in the pass book. Cheques issued but not cashed before 31.12.2021 amounted to Rs. 1,500. Cheques deposited into bank but not cleared and credited before 31.12.2021 amounted to Rs. 2,500. Interest on investments collected by bank and credited in bank pass book amounted to Rs. 1,800. Bills receivable which was discounted with the bank in November 2021, was dishonoured on 31.12.2021 and bank had debited Rs. 1050 including Rs. 50 for bank charges. The bank column of cash book receipts side was over cast by Rs. 1,000 in December 2021. Bank had wrongly debited Mr. Ramnakumar for Rs. 500 on 10.12.2021, on account of dishonour of cheque pertaining to Mr. Ramgopal but rectified the said mistake on 30.12.2021. <p>Examine the Bank Reconciliation statement.</p>	K4	CO4																												
5	20	<p>A second hand machine was purchased on 1.1.18 for Rs.30000 and repair charges amounted to Rs. 6000. It was installed at a cost of Rs. 4000. On 1st July 2019, the another machine was purchased for Rs.26000. On 1st July 2020 the first machine was sold for Rs.30000. On the same day, one more machine was bought for Rs.25000. On 31.12.2020, the machine bought on 1st July 2019 was sold for Rs.23000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum. Determine the Machinery A/c for 3 years ending 31.12.2020.</p>	K5	CO5																												

Z-Z-Z

END