

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 2023
(First Semester)**

Branch - **COMMERCE (PROFESSIONAL ACCOUNTING)**

ACCOUNTANCY-I

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	That a business may only report activities on financial statements that are specifically related to company operations, not those activities that affect the owner personally, is known as which of the following? (a) Separate entity concept (b) Monetary measurement concept (c) Going concern assumption (d) Time period assumption	K1	CO1
	2	IFRS Stands for: (a) International Financial Reporting Standards (b) Indian Financial Reporting Statements (c) Indian Financial Reporting Standards (d) None of the Above	K2	CO2
2	3	Gross profit is transferred to _____ account. (a) Purchase account (b) Sales account (c) Trading account (d) Profit and loss account.	K1	CO1
	4	Every business transactions reveal _____ aspects. (a) Revenue aspects (b) Capital aspects (c) Single aspects (d) Dual aspects.	K2	CO2
3	5	The value of a fixed asset after deducting depreciation from the historical value is called _____. (a) Fair value (b) Book value (c) Market value (d) Net realizable value	K1	CO1
	6	Depreciation is generated due to (a) Increase in the value of liability (b) Decrease in capital (c) Wear and tear (d) Decrease in the value of assets	K2	CO2
4	7	Bills receivable account is _____ account. (a) Real (b) Nominal (c) Personal (d) debit	K1	CO1
	8	Commission provided by the consignor to the consignee to cover bad debt is known as (a) Ordinary commission (b) Del credere Commission (c) Over-riding commission (d) Special commission.	K2	CO2
5	9	Red ink interest is associate with _____. (a) Bill of exchange (b) Account current (c) Average due date (d) Trial balance.	K1	CO2
	10	Average due date is also called as _____. (a) Equated date (b) Base date (c) payment date (d) transactional date	K2	CO2

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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.	State the differences between Receipts and Payments and Income and Expenditure account.	K2	CO2																																																								
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	11.b.	Why do we need accounting standards? List any 5 Indian accounting standards.																																																										
2	12.a.	<p>The following are the balances extracted from the books of Thiru. Velen as on 31st December 2022. Prepare Trial balance.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>Particulars</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>20,000</td> <td>Cash in Hand</td> <td>300</td> </tr> <tr> <td>Buildings</td> <td>15,000</td> <td>Cash at bank</td> <td>4,700</td> </tr> <tr> <td>Machinery</td> <td>10,000</td> <td>Salaries</td> <td>14,000</td> </tr> <tr> <td>Furniture</td> <td>1,000</td> <td>Rent</td> <td>4,000</td> </tr> <tr> <td>Motor car</td> <td>8,000</td> <td>Commission</td> <td>1,400</td> </tr> <tr> <td>Opening Stock</td> <td>16,000</td> <td>Rates in taxes</td> <td>600</td> </tr> <tr> <td>Purchases</td> <td>74,000</td> <td>Bad debts</td> <td>200</td> </tr> <tr> <td>Purchase</td> <td>1,000</td> <td>Insurance</td> <td>400</td> </tr> <tr> <td>Return</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sales</td> <td>1,40,000</td> <td>Discount earned</td> <td>500</td> </tr> <tr> <td>Sales return</td> <td>500</td> <td>Discount allowed</td> <td>700</td> </tr> <tr> <td>Sundry debtors</td> <td>15,000</td> <td>General expenses</td> <td>800</td> </tr> <tr> <td>Sundry creditors</td> <td>4,800</td> <td>Reserve for bad debts</td> <td>300</td> </tr> </tbody> </table>	Particulars	Rs.	Particulars	Rs.	Capital	20,000	Cash in Hand	300	Buildings	15,000	Cash at bank	4,700	Machinery	10,000	Salaries	14,000	Furniture	1,000	Rent	4,000	Motor car	8,000	Commission	1,400	Opening Stock	16,000	Rates in taxes	600	Purchases	74,000	Bad debts	200	Purchase	1,000	Insurance	400	Return				Sales	1,40,000	Discount earned	500	Sales return	500	Discount allowed	700	Sundry debtors	15,000	General expenses	800	Sundry creditors	4,800	Reserve for bad debts	300	K3	CO3
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12.b.	<p>On 13th June 2023 passbook of Mr.Radhasamy showed an over draft balance (Debit balance) of Rs.4,768.75. You are required to prepare bank reconciliation statement taking into following information.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>a) Cheque issued but not presented for payment</td> <td>876.25</td> </tr> <tr> <td>b) Cheques deposited with a bank but not cleared</td> <td>1200.50</td> </tr> <tr> <td>c) Bank charges and interest on O/D entered in the passbook</td> <td>25.30</td> </tr> <tr> <td>d) Interest on investments collected by the bank and credited in the pass book</td> <td>270.80</td> </tr> </tbody> </table>		Rs.	a) Cheque issued but not presented for payment	876.25	b) Cheques deposited with a bank but not cleared	1200.50	c) Bank charges and interest on O/D entered in the passbook	25.30	d) Interest on investments collected by the bank and credited in the pass book	270.80																																																	
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3	13.a.	A second hand machine was purchased on 1-1-2020 for Rs.30,000 and repair charges amounted to Rs.6,000. It was installed at a cost of Rs.4,000. On 1st July 2021, another machine was purchased for Rs.26,000. On 1st July 2021 the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31-12-2022, the machine bought on 1st July 2021 was sold for Rs.23,000. Accounts are closed every year on 31 st December. Depreciation is written off at 15% p.a. Prepare the Machinery A/c for 3 years ending 31-12-2022.	K3	CO3																																																								
	(OR)																																																											

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	13.b.	A company whose accounting year is the calendar year, purchased on 1-1-2003 a machine for Rs.40,000. It purchased further machinery on 1st October 2003 for Rs.20,000 and on 1st July 2004 for Rs.10,000. On 1-7-2005, 1/4th of the machinery installed on 1-1-2003 became obsolete and was sold for Rs.6,800. Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing Balance method. Depreciation is to be provided at 10% p.a.																		
	14.a.	On 1 st January 2023, Agarwal sold goods to Brinda for Rs.6,000 and immediately drew a two months bill on him for the amount due. On 5 th January Agarwal endorsed the bill to Chakrawarthy to whom he owed a similar um. Journalise the transaction in the books of Agarwal, Brindha and Chakrawarthy a) where the bill is honored on the due date and b) where the bill is dishonored on the due date.																		
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4	14.b.	On 1 st July 2023, Sadiq of Salem sent Shafic of Shillong 50 cases of red label tea dust at Rs.250 per case. Sadiq spent Rs.500 on packing, Rs.750 on freight and Rs.500 transit insurance. On the same date drew on Shafic a bill at 2 months for Rs.5,000. Shafic paid octroi duty amounting to Rs.450 and cartag Rs.100 to bring goods to his godown. Shafic also incurred Rs.200 on go down rent and Rs.500 on salesmen salaries. Shafic sent on 1 st October 2023 an account sale stating that he had sold 40 cases of tea dust at Rs.360 per case. Shafic is also entitled to a commission of 5% on gross sales. He remitted the balance by bank draft. Show the consignment account and Shafic account in Sadiq ledger and also indicate how the unsold stock will be valued.	K3	CO3																
	15.a.	Anand sold goods to Mahesh as detailed below. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date of Invoice</th> <th>Value of goods sold (Rs.)</th> <th>Date of Invoice</th> <th>Value of goods sold (Rs.)</th> </tr> </thead> <tbody> <tr> <td>5.5.2023</td> <td>3,000</td> <td>26.5.2023</td> <td>2,250</td> </tr> <tr> <td>12.5.2023</td> <td>1,500</td> <td>1.6.2023</td> <td>2,000</td> </tr> <tr> <td>19.5.2023</td> <td>3,500</td> <td>3.6.2023</td> <td>1,000</td> </tr> </tbody> </table> <p>The payment were agreed to be made by bills payable 90 days from the respective date of invoice. However, Mahesh wanted to arrange for payment of all the bills to be made on a simple date. Calculate the date on which such payment would be made without loss of interest to either party.</p>	Date of Invoice	Value of goods sold (Rs.)	Date of Invoice	Value of goods sold (Rs.)	5.5.2023	3,000	26.5.2023	2,250	12.5.2023	1,500	1.6.2023	2,000	19.5.2023	3,500	3.6.2023	1,000		
Date of Invoice	Value of goods sold (Rs.)	Date of Invoice	Value of goods sold (Rs.)																	
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19.5.2023	3,500	3.6.2023	1,000																	
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5	15.b.	On 4 th January 2023, Mr. Rajagopalan opened a current account with the bank of Karaikudi Ltd, and deposited a sum of Rs.10,000. He also deposited the following amounts. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>20.1.2023</td> <td>6,000</td> </tr> <tr> <td>10.3.2023</td> <td>10,000</td> </tr> <tr> <td>12.5.2023</td> <td>7,000</td> </tr> </tbody> </table> <p>He withdrew the following amounts: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>14.2.2023</td> <td>8,000</td> </tr> <tr> <td>15.4.2023</td> <td>20,000</td> </tr> <tr> <td>10.6.2023</td> <td>4,000</td> </tr> </tbody> </table> <p>Make out the account current in the books of the bank as on 30th June 2023. Calculate interest at 5% on the debit balances and 3% credit balances.</p></p>	Date	Rs.	20.1.2023	6,000	10.3.2023	10,000	12.5.2023	7,000	Date	Rs.	14.2.2023	8,000	15.4.2023	20,000	10.6.2023	4,000	K4	CO4
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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	Categorize Contingent Assets and Contingent Liabilities with suitable examples	K4	CO3																																				
2	17	<p>On 31st March 2023, the pass book Mr. Shanmugam showed a credit balance Rs.9250. A comparison of cash book and pass book revealed the following.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>1. Cheque deposited but not yet cleared by 31st March 2023</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>2. Cheque issue by but not presented for payment before 31st March 2023</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>3. Insurance Premium paid by the bank on behalf of Shanmugam but not recorded in the cash book</td> <td style="text-align: right;">240</td> </tr> <tr> <td>4. Bank Commission not yet recorded in the cash book</td> <td style="text-align: right;">10</td> </tr> <tr> <td>5. Interest on bonds collected by the bank on behalf of Shanmugam not yet recorded in the cash book</td> <td style="text-align: right;">500</td> </tr> </tbody> </table> <p>From the above particulars prepare a bank reconciliation statement as on 31st March 2023.</p>		Rs.	1. Cheque deposited but not yet cleared by 31 st March 2023	1,500	2. Cheque issue by but not presented for payment before 31 st March 2023	2,000	3. Insurance Premium paid by the bank on behalf of Shanmugam but not recorded in the cash book	240	4. Bank Commission not yet recorded in the cash book	10	5. Interest on bonds collected by the bank on behalf of Shanmugam not yet recorded in the cash book	500	K4	CO4																								
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3	18	<p>The following balances appear in the books of Mohan.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>1.1.2020 Machinery A/c</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>1.1.2020 Provision for depreciation A/c</td> <td style="text-align: right;">20,000</td> </tr> </tbody> </table> <p>On 1.1.2020 they decided to sell a machine for Rs.4,500. This Machine was purchased for Rs.9,000 in January 2016. You are required to prepare machinery Account and provision for depreciation Account on 31.12.2020 assuming the firm has been charging depreciation at 10% p.a. on straight line method.</p>		Rs.	1.1.2020 Machinery A/c	50,000	1.1.2020 Provision for depreciation A/c	20,000	K4	CO4																														
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4	19	<p>B. Brown owes C. Charles a sum of Rs.1,800. on 1st April 2023, he gives a promissory note for the amount payable after 3 months to C. Charles who gets it discounted with his bankers for Rs.1,770 on 3rd April. On the due date the bill is dishonored the bankers paying Rs.15 as noting charges. B. Brown then pays Rs.600 in cash and accepts a bill of exchange drawn on him for the balance together with Rs.35 as interest. This bill of exchange is for 2 months. On the due date the bill is dishonored C. Charles paying Rs.10 for noting charges. Draft journal entries in the books of both parties</p>	K4	CO4																																				
5	20	<p>Krishnamoorthy has the following transactions with Ganesh</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 60%;">Particulars</th> <th style="width: 25%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Jan 4</td> <td>Sold goods to Ganesh</td> <td style="text-align: right;">280</td> </tr> <tr> <td>Feb 18</td> <td>Remittances received from Ganesh</td> <td style="text-align: right;">100</td> </tr> <tr> <td>Mar 5</td> <td>Bought goods from Ganesh</td> <td style="text-align: right;">690</td> </tr> <tr> <td>Mar 6</td> <td>Accepted Ganesh Draft at one month</td> <td style="text-align: right;">200</td> </tr> <tr> <td>April 14</td> <td>Cash paid to Ganesh</td> <td style="text-align: right;">200</td> </tr> <tr> <td>April 30</td> <td>Goods sold to Ganesh</td> <td></td> </tr> <tr> <td></td> <td>Rs.232 due end of May</td> <td></td> </tr> <tr> <td>May 14</td> <td>Bought goods from Ganesh</td> <td style="text-align: right;">170</td> </tr> <tr> <td>June 3</td> <td>Sold goods to Ganesh</td> <td style="text-align: right;">250</td> </tr> <tr> <td>June 18</td> <td>Bought goods from Ganesh</td> <td></td> </tr> <tr> <td></td> <td>Rs.290 due end of July</td> <td></td> </tr> </tbody> </table> <p>Make out an account current rendered by Krishnamoorthy at 30th June Reckoning interest at 5% p.a.</p>	Date	Particulars	Rs.	Jan 4	Sold goods to Ganesh	280	Feb 18	Remittances received from Ganesh	100	Mar 5	Bought goods from Ganesh	690	Mar 6	Accepted Ganesh Draft at one month	200	April 14	Cash paid to Ganesh	200	April 30	Goods sold to Ganesh			Rs.232 due end of May		May 14	Bought goods from Ganesh	170	June 3	Sold goods to Ganesh	250	June 18	Bought goods from Ganesh			Rs.290 due end of July		K4	CO4
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