

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2024
(First Semester)

Branch – **COMMERCE (BUSINESS ANALYTICS)**

BUSINESS ACCOUNTING - I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 × 1 = 10)

Question No.	Question	K Level	CO
1	Which of the following items is shown on the credit side of the Trading Account? A. Opening Stock B. Purchases C. Sales D. Wages	K1	CO1
2	Which are nominal accounts ? A. Fixtures B. Rent paid C. Assets sold D. Ravi	K2	CO1
3	An error that occurs when a transaction is recorded in the wrong amount is called: A. Error of principle B. Compensating error C. Error of omission D. Error of commission	K1	CO2
4	Who prepares Bank Reconciliation statement? A. Suppliers B. Customers C. Business firm D. Government	K2	CO2
5	The party who is ordered to pay the amount mentioned in a Bill of Exchange is called: A. Drawer B. Drawee C. Payee D. Endorser	K1	CO3
6	If the royalty payment is less than the minimum rent, the balance amount is treated as: A. Outstanding royalty B. Recoupable shortworkings C. Minimum rent paid D. Fixed liability	K2	CO3
7	In consignment, repudiation of contract is A. Possible completely B. Impossible C. Possible to same extent D. All the above	K1	CO4
8	When goods are purchased for joint venture, the account to be debited is A. Purchase account B. Joint venture account C. Joint bank account D. Co-venture's account	K2	CO4
9	Which of the following assets is typically not depreciated? A. Building B. Machinery C. Land D. Office equipment	K1	CO5
10	Which of the following methods of depreciation results in a constant annual depreciation expense? A. Straight-line method B. Double-declining balance method C. Units of production method D. Sum-of-the-years'-digits method	K2	CO5

Cont...

SECTION - B (35 Marks)Answer **ALL** questions**ALL** questions carry **EQUAL** Marks

(5 × 7 = 35)

Question No.	Question	K Level	CO																																				
11.a.	Prepare a trading account of a trader for the year ending 31 st December 2023 from the following data: Opening Stock (01.01.2023) Rs.50,000 Goods purchased during 2023 Rs.2,80,000 Freight and packing on the above Rs.20,000 Closing stock 31.12.2023 Rs.60,000 Sales Rs.1,80,000 Packing expenses on sales for distribution Rs.12,000.																																						
	(OR)																																						
11.b.	From the following balances extracted at the close of the year ended 31st Dec 2023, prepare Profit and loss account of Mr.Raj as at that date: <table border="1"> <tr> <td>Gross profit</td><td>Rs.55,000</td><td>Repairs</td><td>Rs.500</td></tr> <tr> <td>Carriage on sales</td><td>Rs.500</td><td>Telephone expenses</td><td>Rs.520</td></tr> <tr> <td>Office rent</td><td>Rs.500</td><td>Interest (Dr)</td><td>Rs.480</td></tr> <tr> <td>General expenses</td><td>Rs.900</td><td>Fire insurance premium</td><td>Rs.900</td></tr> <tr> <td>Discount to customers</td><td>Rs.360</td><td>Bad debts</td><td>Rs.2,100</td></tr> <tr> <td>Interest from bank</td><td>Rs.200</td><td>Apprentice Premium (Cr)</td><td>Rs.1,500</td></tr> <tr> <td>Travelling expenses</td><td>Rs.700</td><td>Printing & Stationary</td><td>Rs.2,500</td></tr> <tr> <td>Salaries</td><td>Rs.900</td><td>Trade expenses</td><td>Rs.300</td></tr> <tr> <td>Commission</td><td>Rs.300</td><td></td><td></td></tr> </table>	Gross profit	Rs.55,000	Repairs	Rs.500	Carriage on sales	Rs.500	Telephone expenses	Rs.520	Office rent	Rs.500	Interest (Dr)	Rs.480	General expenses	Rs.900	Fire insurance premium	Rs.900	Discount to customers	Rs.360	Bad debts	Rs.2,100	Interest from bank	Rs.200	Apprentice Premium (Cr)	Rs.1,500	Travelling expenses	Rs.700	Printing & Stationary	Rs.2,500	Salaries	Rs.900	Trade expenses	Rs.300	Commission	Rs.300			K2	CO1
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12.a.	Rectify the following errors: I. Purchase from Akila for Rs.1,500 has been posted to the debit side of her account. II. Sales to Vijay for Rs.1,520 has been posted to his credit as Rs.1,250. III. Purchase from Chandra for Rs.750 has been omitted to be posted to the personal a/c. IV. Sales to Kandan for Rs.780 has been posted to his account as Rs.870.																																						
	(OR)	K2	CO2																																				
12.b.	Prepare a bank reconciliation statement as on 31.12.2023, from the following details: Balance as per cash book Rs.7,225 Cheques deposited into bank but not collected Rs.675 Cheques issued but not presented for payment Rs.879 Bank charges debited in pass book Rs.20 Interest credited in the pass book Rs.15																																						

13.a.	Mala purchased goods for Rs.3000 from Kala on 1.4.2024. Mala accepted a three month's bill for the 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 all the parties.	K3	CO3												
(OR)															
13.b.	From the following information compute shortworkings, and shortworkings recouped. Royalty:50 paise per tonne of coal Minimum rent:Rs.30,000 p.a. Output:1 st year:10000 tonnes 2 nd year:48000 tonnes 3 rd year:80000 tonnes Shortworkings are recoverable during the first three years of lease.														
14.a.	Sekar of Salem sends goods accounting to Rs.25,000 to Mathu of Madurai on Consignment basis. He pays Rs.1,000 as forwarding expenses. The goods are received by Mathu who spends Rs.500 for carriage. Mathu sells the goods for Rs. 32,000 for which he incurs selling expenses of Rs. 1,500. He entitled to a commission of 10% on the gross sale proceeds. Mathu settles the account by a bill. Prepare the Account of sales.	K3	CO4												
(OR)															
14.b.	Describe the different methods of recording transactions relating to Joint venture.														
15.a.	From the following information, calculate the amount of depreciation for one year under straight line method: <table><tr><td></td><td>Cost Rs.</td><td>Turn-in-Value Rs.</td><td>Estimated life</td></tr><tr><td>Furniture</td><td>1,46,400</td><td>960</td><td>6 years</td></tr><tr><td>plant</td><td>3,05,600</td><td>6,560</td><td>8years</td></tr></table>		Cost Rs.	Turn-in-Value Rs.	Estimated life	Furniture	1,46,400	960	6 years	plant	3,05,600	6,560	8years	K4	CO5
	Cost Rs.	Turn-in-Value Rs.	Estimated life												
Furniture	1,46,400	960	6 years												
plant	3,05,600	6,560	8years												
(OR)															
15.b.	Briefly explain Annuity need of depreciation .														

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Question No.	Question	K Level	CO
16	Analyze various accounting concepts briefly.	K3	CO1

17	From the following particulars, prepare a Bank Reconciliation Statement as on 31st March 2024 to find the balance as per the Cash Book: - Credit balance as per Pass Book on 31st March 2024: Rs. 2,500. - Bank charges Rs. 60 were not entered in the Cash Book. - A cheque for Rs. 1,000 was paid into the bank but not yet credited by the bank. - Out of cheques issued for Rs. 4,500, cheques worth Rs. 3,800 were presented for payment. - A dividend of Rs. 400 was collected by the bank but was not entered in the Cash Book. - A cheque of Rs. 600 deposited was dishonored before 31st March 2024, but no entry was made in the Cash Book.	K4	CO2
18	On 1.1.2020, Rama collieries Ltd. leased a piece of land agreeing to pay a minimum rent of Rs.2,000 in the first year, Rs.4,000 in the second year and thereafter Rs.6000 per annum, merging into a royalty of 40 paise per tonne, with power to recoup short workings over the first three years only. The figures of annual output for the four years to 31st December 2023 were 1,000;10,000;18,000 and 20,000 tonnes respectively. Record these transactions in the ledger of the company.	K4	CO3
19	Gani and Bali jointly underwrite and place on the market 1,00,000 shares of Calcutta Machinery Ltd of Rs.10 each. It was agreed with the company that they would be allotted 4,000 shares as fully –paid towards their remuneration . Their profit sharing ratio is 2 :1. Applications were received from the public only Rs.90,000 shares. Gani paid Rs.8,000 for postage and advertisement in addition to 70% of the amount required to take up the short subscriptions. Bali financed the balance amount. These are accounted for though the joint bank account .All the shares including those allotted for were remuneration were sold. Gani sold 6,000 shares for Rs.70,000 and Bali sold the balance shares for Rs.96,000 . Bali incurred expenses Rs.4,000. Sales proceeds were retained individually. Show necessary accounts in the books of Co-ventures, which were separately started for the purpose. The Interest account was settled through the joint Bank account.	K5	CO4
20	Explain the various types of depreciation and merits.	K5	CO5

Z-Z-Z

END