

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

Branch – COMMERCE (COST & MANAGEMENT ACCOUNTING)

HIGHER CORPORATE ACCOUNTING

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. Accounting standard for Amalgamation is
i) AS-8 ii) AS-20 iii) AS-14 iv) AS-3
2. What is the name of the account showing profit and loss under double account system?
i) Income & expenditure a/c ii) Income Statement
iii) Revenue A/c iv) Net Revenue A/c
3. The percentage of profit to be transferred to statements reserve by the banking company is:
i) 25% ii) 15% iii) 20% iv) 10%
4. The balance found in the Revenue Account of life insurance companies is considered as :
i) Net profit/ Net loss ii) Surplus/ Deficit
iii) Life Assurance Fund iv) Gross profit/ Gross loss.
5. Which accounting standard applies to revenue recognition for electricity companies in India?
i) Ind AS 101 ii) Ind AS 18 iii) Ind AS 115 iv) Ind AS 16

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a. Spring Field ltd is absorbed by sports field ltd., the consideration being:
- i. The taking over of the trade liabilities of Rs.40,000:
 - ii. The payment of cost of absorption of Rs.15,000
 - iii. The repayment of 'B' debentures of Spring Field Ltd. Of Rs.2,00,000 at par
 - iv. The discharge of 'A' debentures of rs.3,00,000 i the vendor Co. At a premium of 10% by the issue of 8% debentures in sports field Ltd at par,
 - v. A payment of Rs.20 per share in cash and the exchange of 4 fully paid Rs.10 shares in sports field Ltd. At a market price of Rs.15 per share for every Rs.50 share in spring field ltd. Which were 40,000 in number.
- You are required to find out the purchase consideration.

OR

- b. What is pooling of Interests method?

- 7 a. A water supply concern had to replace a quarter of the mains and lay an auxiliary main for the remaining length in order to augment supplies of water to a locality. The total cost of the original main was Rs.8,00,000; the auxiliary main cost Rs.9,00,000 and the new main cost Rs.3,50,000. It is estimated that cost of laying a main has gone up by 30%. Parts of the old mains realized Rs.15,000. Pass the necessary journal entries to record the above transactions.

OR

- b. List out the features of double account system.

Cont...

- 8 a. Classify the Profit / Loss format of banking accounts.

OR

- b. Rebate on bills discounted as on 31.3.2000

Date of Bills	Amount	Period	Rate Of Discount
15.1.2000	25,000	5 months	8%
10.2.2000	15,000	4 months	7%
25.2.2000	20,000	4 months	7%
20.3.2000	30,000	3 months	9%

- 9 a. The Revenue account of a life assurance company shows the Life Assurance Fund on 31.3.2006 at Rs. 62, 21,310. Before taking into account the following:

- Claims covered under re-insurance Rs. 12,000.
- Bonus utilized in reduction of life insurance premium Rs. 4,500.
- Interest accrued on securities Rs. 8,260.
- Outstanding premiums Rs. 5,420.
- Claims intimated but not admitted Rs. 26,500.

What is the Life Assurance Fund after taking into account the above omissions?

OR

- b. Write a note on ' Reserve for unexpired risk?

- 10 a. How are fixed assets accounted for in an electricity company?

OR

- b. The following details relate to ABC Power Corporation for the year ending March 31, 2023:

- Opening balance of Power Plant: ₹75,00,000
- New Power Plant purchased: ₹20,00,000 on July 1, 2022
- Depreciation rate: 8% per annum on the straight-line method
- A portion of the Power Plant was sold: ₹10,00,000 on December 31, 2022 (original cost: ₹15,00,000, accumulated depreciation: ₹6,00,000)

Required:

- Calculate depreciation for the year on the Power Plant.
- Prepare the Power Plant account for the year ending March 31, 2023.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

11. M.Ltd. and N Ltd agreed to amalgamate on the basis of the following balance sheets as on 31.12.17.

Liabilities	M	N	Assets	M	N
Share capital Rs.25 each	75,000	50,000	Goodwill	30,000	-
P&L A/C	7,500	2,500	Fixed assets	31,500	38,800
Creditors	3,500	3,500	Stock	15,000	12,000
Depreciation fund	-	2,500	Debtors	8,000	5,200
			Bank	1,500	2,500
	86,000	58,500		86,000	58,500

The assets and liabilities are to be taken over by a new company formed called P Ltd., at book values. P Ltd's capital is Rs.2,00,000 divided into 10,000 equity shares of Rs.10 each and 10,000 9% preference shares of Rs.10 each P.Ltd. Issued the equity shares equally to the vendor companies and preference shares were issued for any balance of purchase price. Pass journal entries in the books of P Ltd. And prepare its balance sheet, if the amalgamation is in nature of purchase.

Cont...

12. The following balance appeared in the books of universal electric supply corporation Ltd as on 31.12.03.

Particulars	Debit Rs.	Credit Rs.
Equity shares	-	6,00,000
Debentures	-	2,00,000
Land on 31.12.2003	1,50,000	-
Land purchased during the year	60,000	-
Mains including cost of lying to 31.12.2003	1,60,000	-
Mains expended during the year	76,000	-
Machinery on 31.12.2003	5,50,000	-
Machinery purchased during the year	66,000	-
Sundry creditors	-	1,000
Depreciation fund account	-	2,50,000
Sundry debtors for current supplied	40,000	-
Other book debts	500	-
Stores in hand	6,000	-
Cash in hand	4,000	-
Cost of generation of electricity	30,000	-
Cost of distribution of electricity	9,000	-
Sales of current	-	1,50,000
Meter rent	-	5,000
Rent, rates and taxes	12,000	-
Establishment expenses	21,000	-
Interest on debentures	10,000	-
Interim dividend	20,000	-
Depreciation	20,000	-
Net revenue a/c balance on 31.12.2003	-	28,500
TOTAL	12,34,500	12,34,500

From the above balances, prepare the Revenue A/c, Net Revenue A/c, capital a/c and General balance sheet.

13. The following figures are extracted from the books of Bema Bank Ltd.,
As on 31.12.2017.

Particulars	Rs	Particulars	Rs
Interest and discount received	36,95,738	Rent received	55,000
Commission, exchange and brokerage	2,00,000	Salaries and allowances	1,75,000
Directors' fees and allowances	55,000	Rent and taxes paid	87,973
Postage and telegrams	62,313	Profit on sale of investments	2,00,000
Stationery	17,625	Depreciation on building	27,375
Preliminary expenses	15,000	Audit fees	5,000
Interest paid on deposits	20,32,542		

Additional information:

1. Customer to whom a sum of RS.10, 00,000 has been advances has become insolvent. It is expected that only 50. Can be recovered from his private estate.
 2. For the remaining debts, a provision of 1, 50,000 were necessary.
 3. Rebate on bills discounted as on 31.12.16 Rs.12, 000 and on 31.12.17 Rs.16, 000.
 4. Provide Rs.6,50,000 for taxation
 5. Write off all preliminary expenses.
- Prepare profits & loss A/c in accordance with the law.

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14. The following balances are abstracted from the books of New Bharat Life Insurance Co. Ltd., as on 31.3.2006.

particular	Rs	particular	Rs
Life Assurance Fund (1.4.2005)	15,00,000	Claims paid during the year	64,900
Premiums	4,96,000	Annuities	2,050
Consideration for annuities granted	15,000	Bonus in reduction of premiums	1,600
Interest & Dividends	1,00,000	Medical fees	2,400
Fines for revival of policies	750	Surrenders	4,000
Re-insurance premium	20,750	Commission	18,650
Claims outstanding (1.4.2005)	4,500	Management expenses	22,000
Income tax on Dividends	8,500		

Prepare Revenue A/c after making the following adjustments:

- (a) Outstanding balances: i) Claims Rs.14,000 ii) Premiums Rs. 4,600
 (b) Further bonus for premium Rs. 2,400
 (c) Claims under re-insurance Rs. 8,000

15. Explain the accounting treatment of revenue and expenses in electricity companies.

Z-Z-Z

END

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

ADVANCED COST AND MANAGEMENT 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	Which is suitable for operating costing? a. Job order Business b. Contractors c. Sugar Industry d. Service Industry	K1	CO1
	2	Select the suitable method of job costing. a. Oil processing units b. Transport companies c. Sugar industry d. Repair shops	K2	CO2
2	3	Which costing and process costing cannot be simultaneously used in the same industry? a. service b. Job c. batch d. Contract	K1	CO1
	4	Which of the following serves at a subsidiary ledger for the work in process account? a. Standard cost card b. Material requisition form c. Job requisition form d. Job order cost sheet	K2	CO1
3	5	The method of costing used in case of a gas company is termed as _____. a. Job Costing b. Process Costing c. Operation Costing d. Marginal Costing	K1	CO3
	6	Select the units value of abnormal loss and gain. a. Market value b. Scrap value c. Realising value d. Cost per unit of the process-just like good output	K2	CO2
4	7	Which is Marginal Cost? a. prime cost b. Variable cost c. Work cost d. Cost of production	K1	CO1
	8	Select the process of Break even point. a. Sales at which profit is high b. Sales at which there is loss c. Sales at which there is no profit or loss d. Sales at which only loss	K2	CO2
5	9	Which budget is commonly takes the form of budgeted profit and loss account and Balance sheet? a. Cash Budget b. Master Budget c. Flexible Budget d. Functional Budget	K1	CO1
	10	The Budget that is prepared first of all is a. Cash Budget b. Master Budget c. Flexible Budget d. Budget for the key factor	K2	CO1

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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.	Prepare Process Accounts from the following details: <table><thead><tr><th></th><th>I</th><th>II</th></tr><tr><th>Rs.</th><th>Rs.</th></tr></thead><tbody><tr><td>Materials</td><td>40,000</td><td>6,000</td></tr><tr><td>Labour</td><td>15,000</td><td>16,000</td></tr><tr><td>Expenses (direct)</td><td>5,000</td><td>3,000</td></tr></tbody></table> Production overhead Rs.60,000 to be allocated to Process I and II on the basis of 150% of Direct Wages. Production during the period 2,000 units.		I	II	Rs.	Rs.	Materials	40,000	6,000	Labour	15,000	16,000	Expenses (direct)	5,000	3,000	K6	CO3
		I	II															
	Rs.	Rs.																
Materials	40,000	6,000																
Labour	15,000	16,000																
Expenses (direct)	5,000	3,000																
(OR)																		
11.b.	Discuss the elements of cost.																	
2	12.a.	From the following information prepare Job No.236 account in the Job Cost Ledger: <table><thead><tr><th></th><th>Rs.</th></tr></thead><tbody><tr><td>Direct materials purchased</td><td>3,600</td></tr><tr><td>Direct materials received from stores</td><td>25,200</td></tr><tr><td>Direct wages</td><td>14,400</td></tr><tr><td>Other direct expenses</td><td>1,500</td></tr></tbody></table> The works overheads are to be taken at 75% of wages and administrative overheads at 25% of works cost. The contract price of Job No.236 which is completed is fixed as Rs.82,500.		Rs.	Direct materials purchased	3,600	Direct materials received from stores	25,200	Direct wages	14,400	Other direct expenses	1,500	K3	CO4				
		Rs.																
	Direct materials purchased	3,600																
Direct materials received from stores	25,200																	
Direct wages	14,400																	
Other direct expenses	1,500																	
(OR)																		
12.b.	Senthil construction Company undertook a contract for constructing a building from 1st Jan 2010, contract price was Rs.1,00,000. He incurred the following expenses: <table><thead><tr><th></th><th>Rs.</th></tr></thead><tbody><tr><td>Materials issued</td><td>6,000</td></tr><tr><td>Materials in hand, at the end</td><td>1,000</td></tr><tr><td>Wages</td><td>5,000</td></tr><tr><td>Direct expenses</td><td>20,000</td></tr><tr><td>Plant purchased</td><td>10,000</td></tr></tbody></table> The contract was completed on 30th June 2010 and the contract price was duly received. Provided depreciation @20% p.a. on plant and charge indirect expenses at 20% on wages. Prepare contract account.		Rs.	Materials issued	6,000	Materials in hand, at the end	1,000	Wages	5,000	Direct expenses	20,000	Plant purchased	10,000					
	Rs.																	
Materials issued	6,000																	
Materials in hand, at the end	1,000																	
Wages	5,000																	
Direct expenses	20,000																	
Plant purchased	10,000																	
3	13.a.	Sridhar & Co produces a product through two processes 'J and 'K'. Prepare the process accounts from the following details relating to March 2007 <table><thead><tr><th></th><th>Process J</th><th>Process K</th></tr><tr><th>Rs.</th><th>Rs.</th></tr></thead><tbody><tr><td>Materials</td><td>45,000</td><td>15,000</td></tr><tr><td>Labour</td><td>60,000</td><td>25,000</td></tr><tr><td>Chargeable expenses</td><td>5,000</td><td>10,000</td></tr></tbody></table> The overheads amounting to Rs.17,000 are to be apportioned on the basis of labour.		Process J	Process K	Rs.	Rs.	Materials	45,000	15,000	Labour	60,000	25,000	Chargeable expenses	5,000	10,000	K4	CO2
		Process J	Process K															
	Rs.	Rs.																
Materials	45,000	15,000																
Labour	60,000	25,000																
Chargeable expenses	5,000	10,000																
(OR)																		
13.b.	Sujatha industries produces three products X,Y and Z from a joint process. The joint processing cost before separation amounted to Rs.1,25,000. The output of X, Y and Z was 5,000 and 6,000 and 1,500 respectively. Apportion the joint cost among the products on the basis of average unit cost method.																	

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4	14.a.	From the following data calculate: a) P/V ratio b) Profit when sales are Rs. 20,000 and c) New break even point if selling price is reduced by 20% Fixed Expenses Rs. 4,000 BEP Rs. 10,000	K5	CO3
	(OR)			
	14.b.	Explain the objectives of standard costing.		
5	15.a.	Explain the characteristics of Budgetary Control.	K2	CO3
	(OR)			
	15.b.	A firm produces two products 'A' and 'B'. The opening balances of the products are 7,800 units and 8,400 units respectively. The estimated sales during a month are 14,700 units and 15,300 units respectively. The required closing balances are 8,200 and 9,000 units. Prepare production Budget		

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	From the following figures show the cost of three process of manufacture. The production of each process is passed on the next till completion	K4	CO1																								
		<table><tr><td>Particulars</td><td>Process A Rs</td><td>Process B Rs</td><td>Process C Rs</td></tr><tr><td>Wages & Materials</td><td>60,800</td><td>24,000</td><td>58,500</td></tr><tr><td>Works O.H</td><td>11,200</td><td>10,500</td><td>12,000</td></tr><tr><td>Production (in Units)</td><td>72,000</td><td>75,000</td><td>96,000</td></tr><tr><td>Stock (Units from Proceeding process 1st July 2020)</td><td>-</td><td>8000</td><td>33,000</td></tr><tr><td>Stock (Units from Proceeding Process 31st July 2020)</td><td>-</td><td>2000</td><td>11,000</td></tr></table>			Particulars	Process A Rs	Process B Rs	Process C Rs	Wages & Materials	60,800	24,000	58,500	Works O.H	11,200	10,500	12,000	Production (in Units)	72,000	75,000	96,000	Stock (Units from Proceeding process 1 st July 2020)	-	8000	33,000	Stock (Units from Proceeding Process 31 st July 2020)	-	2000	11,000
		Particulars			Process A Rs	Process B Rs	Process C Rs																					
		Wages & Materials			60,800	24,000	58,500																					
		Works O.H			11,200	10,500	12,000																					
		Production (in Units)			72,000	75,000	96,000																					
		Stock (Units from Proceeding process 1 st July 2020)			-	8000	33,000																					
Stock (Units from Proceeding Process 31 st July 2020)	-	2000	11,000																									
2	17	Contractors Ltd., undertook a special contract for a total value of Rs.12 lakhs. It was expected that the contract would be completed by 31 st March 2004. You are required to prepare a contract account for the year ending 31.1.2004 from the following:	K4	CO3																								
		<table><tr><td></td><td>Rs.</td></tr><tr><td>Wages</td><td>3,00,000</td></tr><tr><td>Materials sent to site</td><td>50,000</td></tr><tr><td>Materials lying at site on 31.12.04</td><td>20,000</td></tr><tr><td>Special plant</td><td>1,00,000</td></tr><tr><td>Overheads</td><td>60,000</td></tr><tr><td>Works certified</td><td>8,00,000</td></tr></table> Depreciation at 10% to be provided on plant. Cash received is 80% of work certified. 5% of the value of materials used and 6% of wages may be taken to have been incurred for the portion of work completed but not yet certified. Overheads are charged as a percentage of direct wages.				Rs.	Wages	3,00,000	Materials sent to site	50,000	Materials lying at site on 31.12.04	20,000	Special plant	1,00,000	Overheads	60,000	Works certified	8,00,000										
	Rs.																											
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Special plant	1,00,000																											
Overheads	60,000																											
Works certified	8,00,000																											
3	18	From the following particulars, prepare Process 'X' Account showing cost per ton of output:	K3	CO3																								
		<table><tr><td>Materials (tons)</td><td>1,000</td></tr><tr><td>Cost of material per ton</td><td>Rs.125</td></tr><tr><td>Wages</td><td>Rs.28,000</td></tr><tr><td>Manufacturing expenses</td><td>Rs.8,000</td></tr><tr><td>Output (tons)</td><td>830</td></tr></table> Normally 5% of the weight is lost in the process and 10% is scrap which realizes Rs.80 per ton. There was no stock or work-in-progress.			Materials (tons)	1,000	Cost of material per ton	Rs.125	Wages	Rs.28,000	Manufacturing expenses	Rs.8,000	Output (tons)	830														
Materials (tons)	1,000																											
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Output (tons)	830																											

Cont...

4	19	The sales and profit for 2005 and 2006 are as follows:	K2	CO4																																																				
		<table><tr><td></td><td>Sales</td><td>Profit</td></tr><tr><td></td><td>Rs.</td><td>Rs.</td></tr><tr><td>2005</td><td>1,50,000</td><td>20,000</td></tr><tr><td>2006</td><td>1,70,000</td><td>25,000</td></tr></table> Find out: a) P/V Ratio b) BEP c) Sales for a profit of Rs. 40,000 d) Profit for sales of Rs. 2,50,000 and e) Margin of safety at a profit of Rs. 50,000				Sales	Profit		Rs.	Rs.	2005	1,50,000	20,000	2006	1,70,000	25,000																																								
	Sales	Profit																																																						
	Rs.	Rs.																																																						
2005	1,50,000	20,000																																																						
2006	1,70,000	25,000																																																						
5	20	Draw a flexible budget for overhead expenses on the basis of the following data and determine the overhead rated at 40%, 50%, 60% plant capacity.	K3	CO5																																																				
		<table><tr><td></td><td colspan="3">Capacity levels</td></tr><tr><td></td><td>40%</td><td>50%</td><td>60%</td></tr><tr><td>Variable Overheads</td><td></td><td></td><td></td></tr><tr><td>Indirect Labour</td><td></td><td>6,000</td><td></td></tr><tr><td>Stores including Spares</td><td></td><td>2,000</td><td></td></tr><tr><td>Semi-Variable Overheads</td><td></td><td></td><td></td></tr><tr><td>Power (30% fixed, 70% Variable)</td><td></td><td>10,000</td><td></td></tr><tr><td>Repair & Maintenance (60% fixed, 40% variable)</td><td></td><td>1,000</td><td></td></tr><tr><td>Fixed Overheads</td><td></td><td></td><td></td></tr><tr><td>Depreciation</td><td></td><td>5,500</td><td></td></tr><tr><td>Insurance</td><td></td><td>1,500</td><td></td></tr><tr><td>Salaries</td><td></td><td>5,000</td><td></td></tr><tr><td></td><td></td><td> </td><td></td></tr><tr><td></td><td>Total Cost</td><td>31,000</td><td> </td></tr></table> Estimated direct Labour hours: 50,000 hrs.				Capacity levels				40%	50%	60%	Variable Overheads				Indirect Labour		6,000		Stores including Spares		2,000		Semi-Variable Overheads				Power (30% fixed, 70% Variable)		10,000		Repair & Maintenance (60% fixed, 40% variable)		1,000		Fixed Overheads				Depreciation		5,500		Insurance		1,500		Salaries		5,000					
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Insurance		1,500																																																						
Salaries		5,000																																																						
	Total Cost	31,000																																																						

Z-Z-Z

END

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

DIRECT TAXATION – 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	Income tax computed on (a) Capital (c) Revenue (b) Wealth (d) Income	K1	CO1
	2	Under Income Tax Act, the incidence of taxation depends upon (a) The citizenship of the tax payer (b) Residential status of the tax payer (c) The age of the tax payer (d) The community of the tax payer	K2	CO1
2	3	The maximum amount allowed as deduction for entertainment allowance is (a) Rs. 5,000 (c) Rs. 15,000 (b) Rs. 10,000 (d) Rs. 50,000	K1	CO2
	4	Interest on pre-construction period will be allowed in ----- equal annual instalments. (a) 2 (b) 3 (c) 4 (d) 5	K2	CO2
3	5	Payment made to an approved scientific research association is deductible upto ---- (a) 50% (b) 25% (c) 100% (d) 75%	K1	CO3
	6	Expenses exceeding ----- paid in cash disallowed to the extent of 100%. (a) Rs. 10,000 (c) Rs. 20,000 (b) Rs. 30,000 (d) Rs. 40,000	K2	CO3
4	7	A long term capital asset except financial assets is an assets held for more than----- (a) 12 months (c) 36 months (b) 24 months (d) 48 months	K1	CO4
	8	In the case of casual income the tax deducted at source at the rate of ----- (a) 20% (b) 30% (c) 40% (d) 25%	K2	CO4
5	9	Income of minor child is included in the total income of (a) Transferor of assets (b) Father (c) Parent whose income is greater (d) Transfer to saving a/c	K1	CO5
	10	Short term capital loss can be set off against (a) Short term capital gain (b) Long term capital gain (c) Any capital gain (d) Any head of income	K2	CO5

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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.	Explain various types of Assessee.	K2	CO1												
		(OR)														
	11.b.	Following are the income of Mr. Arun for the previous year 2023-24. (i) Interest from an Indian company received in Germany Rs. 1,00,000. (ii) Pension from former employer in India received in U.K. Rs. 2,00,000. (iii) Profits made from a business in Hongkong which is controlled from India, (Half of the profits being received in India) Rs. 20,000. (iv) Income from companies in USA and received in India Rs. 1,00,000. (v) Income from Agriculture in USA and received in India Rs. 10,000. (vi) Past untaxed income brought to India Rs. 50,000. Show Gross Total income of Arun for the Assessment year 2023-24. If he is (i) Ordinary Resident (ii) Not Ordinarily Resident (iii) Non Resident.														
2	12.a.	Identify the exempted allowance of the following: (i) Mr. X employed at Chennai at a salary of Rs. 6,000 p.m. The employer is paying HRA of Rs. 700 p.m. but the actual rent paid by him is Rs. 800 p.m. Compute the exempted HRA. (ii) Mr. Danial is a Government employee gets Rs. 80,000 per annum as basic pay. In addition he receives Rs. 20,000 as entertainment allowance. Calculate deduction under entertainment allowance.	K3	CO2												
		(OR)														
	12.b.	Mr. Manimaran is the owner of house. In respect of this he has furnished the following particulars: <table><tr><th>Particulars</th><th>House A (Rs.)</th></tr><tr><td>Municipal rental value</td><td>3,60,000</td></tr><tr><td>Actual rent received</td><td>3,00,000</td></tr><tr><td>Municipal tax paid</td><td>36,000</td></tr><tr><td>Ground rent</td><td>1,000</td></tr><tr><td>Interest on loan taken for construction</td><td>50,000</td></tr></table> Calculate his income from house property for the assessment year 2023-24. Out of the Municipal taxes of House A, Rs. 18,000 is paid by the tenant.	Particulars	House A (Rs.)	Municipal rental value	3,60,000	Actual rent received	3,00,000	Municipal tax paid	36,000	Ground rent	1,000	Interest on loan taken for construction	50,000		
Particulars	House A (Rs.)															
Municipal rental value	3,60,000															
Actual rent received	3,00,000															
Municipal tax paid	36,000															
Ground rent	1,000															
Interest on loan taken for construction	50,000															
3	13.a.	Analyze the provision regarding expenditure on Scientific research u/s 35.	K4	CO3												
		(OR)														

Cont...

3	13.b.	Varun commenced production on June 1, 2022. The assessee made the following expenditure on scientific research upto the year ending on March 31, 2023. Choose the amount of deduction available: (a) Expenditure on salary to research personnel during the 12 months ending on October 30, 2020; Rs. 40,000. (b) Contribution made to a college for scientific research Rs. 7,50,000. (c) Contribution made to university for research in social research Rs. 5,00,000. (d) Loss of stock due to fire Rs. 30,000	K4	CO3
4	14.a.	Mr. Ramesh, a resident Indian, sold gold for 28,50,000 on May 20, 2023, where he acquired on April 16, 1977 at a cost of Rs. 1,80,000. The fair market value of gold on April 1, 2002 was Rs. 1,50,000. He has invested Rs. 6,00,000 in buying a residential house on June 15, 2024. Ascertain the capital gains chargeable to tax during the Assessment year 2023-24. CII for 2001-02.	K3	CO4
	14.b.	(OR) Mr. Sundhar furnishes the following informations Identify his income from other sources for the Assessment year 2023-24: (i) Royalties from books Rs. 52,000 (ii) Directors fees 30,000 (iii) Interim dividend from Y Ltd. Salem Rs. 25,000. (iv) Dividend from co-operative society Rs. 15,500 (v) Income undisclosed sources Rs. 10,000 (vi) Income from letting of P&M along with Building Rs. 32,500 (vii) Winning from lotteries (gross) Rs. 35,000 (viii) Winnings received from horse race(net) Rs. 70,000		
5	15.a.	Mr. Singaravel has furnished the following particulars. Examine his Gross total income for the previous year 2023 -24. (i) Income from salary Rs. 80,000 (ii) Loss from house property Rs. 32,000 (iii) Loss from business Rs. 15,000 (iv) Short term capital loss Rs. 8,000 (v) Long term capital gain Rs. 18,000 (vi) Income from other sources Rs. 35,000	K4	CO5
	15.b.	(OR) Calculate amount of deduction u/s 80C from the following informations: (i) Contribution to RPF Rs. 15,000 (ii) Contribution towards NSC- VII issue Rs. 11,000 (iii) Insurance premium on own life (Sum assure Rs. 1,50,000) Rs. 25,000 (iv) Insurance premium towards life of his wife (Sum assure Rs. 1,50,000) Rs. 2,500 (v) Repayment of housing loan (Principal – Rs. 50,000; Interest – Rs. 35,000) Rs. 85,000.		

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	Explain the different types of sources of Income.	K4	CO1																																												
2	17	Mr. Surendiran employee of Madurai (population 18 laksh) based company provides the following particulars of his salary income: (i) Basic salary Rs. 25,000 p.m (ii) Profit bonus Rs. 12,500 (iii) Commission on turnover Rs. 42,500 (iv) Entertainment allowance Rs. 2,500 p.m. (v) Club facility Rs. 12,500 (vi) Transport allowance Rs. 1,800 p.m. (vii) Rent free house provided by the employer lease rent paid by the employer Rs. 6,000 p.m. (viii) Gas, Electricity and Water bill issued in the name of employee but paid by employer Rs. 26,800. Compute taxable income under the head of salary.	K4	CO2																																												
3	18	Calculate Business income from the following particulars: Profit and Loss Account <table><thead><tr><th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr></thead><tbody><tr><td>To Rent</td><td>75,000</td><td>By Gross profit</td><td>6,00,000</td></tr><tr><td>To Salary to staff</td><td>1,20,000</td><td>By Sundry receipts</td><td>1,75,000</td></tr><tr><td>To Legal expenses</td><td>1,50,000</td><td>By Rent of building</td><td>2,00,000</td></tr><tr><td>To Donations</td><td>50,000</td><td>By Commission</td><td>1,25,000</td></tr><tr><td>To Fire insurance</td><td>50,000</td><td></td><td></td></tr><tr><td>To Bonus to proprietors</td><td>80,000</td><td></td><td></td></tr><tr><td>To Drawings</td><td>85,000</td><td></td><td></td></tr><tr><td>To Depreciation</td><td>70,000</td><td></td><td></td></tr><tr><td>To Net profit</td><td>4,20,000</td><td></td><td></td></tr><tr><td></td><td>11,00,000</td><td></td><td>11,00,000</td></tr></tbody></table>	Particulars	Rs.	Particulars	Rs.	To Rent	75,000	By Gross profit	6,00,000	To Salary to staff	1,20,000	By Sundry receipts	1,75,000	To Legal expenses	1,50,000	By Rent of building	2,00,000	To Donations	50,000	By Commission	1,25,000	To Fire insurance	50,000			To Bonus to proprietors	80,000			To Drawings	85,000			To Depreciation	70,000			To Net profit	4,20,000				11,00,000		11,00,000	K4	CO3
Particulars	Rs.	Particulars	Rs.																																													
To Rent	75,000	By Gross profit	6,00,000																																													
To Salary to staff	1,20,000	By Sundry receipts	1,75,000																																													
To Legal expenses	1,50,000	By Rent of building	2,00,000																																													
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To Bonus to proprietors	80,000																																															
To Drawings	85,000																																															
To Depreciation	70,000																																															
To Net profit	4,20,000																																															
	11,00,000		11,00,000																																													
4	19	Mr. Dhanush acquired a residential house property on 15.05.2015 for Rs. 4,50,000. He renovated it during 2018-19 at the cost of Rs. 3,00,000. He sold the residential house on 10.10.2023 for Rs. 32,50,000 for which he paid a commission of Rs. 30,000. He bought another residential house on 10.01.2024 for Rs. 20,00,000. Compile the capital gain for the previous year 2023-24. CII for 2015-16 – 254; 2018-19 – 280; 2023-24 – 348.	K4	CO4																																												
5	20	Appraise the powers and duties of Central Board of Direct Tax.	K4	CO5																																												

Z-Z-Z END

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(First Semester)

Branch – COMMERCE (COST AND MANAGEMENT)

FUNDAMENTALS OF 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	Bank account is a) Personal Account b) Real Account c) Nominal Account d) Current Account	K1	CO1
	2	Drawings account is related to: a) Nominal Account. b) Personal Account. c) Real Account. d) Company drawings account.	K2	CO1
2	3	Which financial statement of a non-profit organization shows the surplus or deficit for the period? a) Balance Sheet b) Receipts and Payments Account c) Income and Expenditure Account d) Cash Flow Statement	K1	CO2
	4	Which of the following is an example of a capital receipt for a non-profit organization? a) Grant Received for a Specific Project b) Annual Membership Fees c) Sale of Old Assets d) Donations from Members	K2	CO2
3	5	What is the primary goal of a non-profit organization? a) To maximize profits for shareholders b) To provide services or promote a cause without the intention of making profits c) To generate income for its employees d) To sell products for a profit	K1	CO3
	6	How do non-profit organizations typically generate funds for their operations? a) By issuing shares to investors b) Through donations, grants, and fund-raising activities c) By selling products at high prices d) By taking loans from banks	K2	CO3
4	7	If a Rs. 500 payment to a supplier was debited to the wrongly account, the correct rectification entry would be: a) Debit the Supplier's Correct Account Rs. 500 and Credit the Supplier's Incorrect Account Rs. 500 b) Debit Cash Account Rs. 500 and Credit the Supplier's Account Rs.500 c) Debit the Supplier's Account Rs. 500 and Credit Bank Account Rs.500 d) Debit the Supplier's Incorrect Account Rs. 500 and Credit Cash Account Rs. 500	K1	CO4
	8	If a bank error in the Pass Book resulted in an overstatement of Rs. 200, the adjustment in the Bank Reconciliation Statement should be: a) Add Rs. 200 to the Pass Book Balance b) Subtract Rs. 200 from the Cash Book Balance c) Add Rs. 200 to the Cash Book Balance d) Subtract Rs. 200 from the Pass Book Balance	K2	CO4
5	9	Depreciation is provided on: a) fixed assets. b) outward charges. c) current assets. d) intangible assets. .	K1	CO5
	10	Under the straight line method of charging depreciation, depreciation is calculated on _____. a) Original cost b) Diminishing cost c) Annuity table d) fluctuation cost	K2	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.	Prepare Purchase returns Book and Sales returns book from the following data: Rs.	K2	CO1
		1987 Aug 1 Purchased goods returned to Senthil 205		
		3 Received goods returned by Natrajan 300		
		5 Goods returned to Kannan 500		
		7 Sales returns of Rs. 1.260 by Mathavan		
		15 Returned defective goods to Rajan 1,280		
		18 Damaged goods returned by Murali 1,120		
		23 Outward returns to Kanagasabai 275		
		29 Inward returns by Swaminathan 750		
		30 Returned inferior goods to Sankar 890		
		31 Selvan returned goods to us 1,330		
2	12.a.	(OR)	K2	CO2
		Demonstrate a Sharjeel Siraj Khan's single column cash book for the month of April 2015, from the following Data: Rs.		
	11.b.	1 Cash in hand 1,650 2 Cash sales 16,000 3 Paid cheque to creditors..... 4,000 4 Wages paid in cash 2,250 4 Cash sales 18,000 9 Paid cash to TCP 420 11 Paid salaries by cash 2,850 12 Credit Sales 1,000 14 Note Receivable Realized 3,000 17 Paid cash for repairing 360 19 Sales by cash 11,400 21 Paid office expense 180 25 Paid rent and rates 3,600 26 Cash sales 19,200 27 Paid electricity bill 900 28 Cash collected from debtor..... 4,500 29 Goods Purchase for cash..... 2,000 30 Return to bank loan 3,000 Requirement: Prepare cash book at April 30, 2015:	K2	CO3
3	12.b.	(OR)		
		A firm purchased a plant for Rs.40,000. Erection charges Rs. 2,000. Effective life of the plant is 5 years. Calculate the amount depreciation under the straight line method.		
	13.a.	From the following details prepare Receipts and Payments account of the Madras Sports Club for the year ended 31 st December 1994. Rs.	K2	CO3
		Rs.		
		Balance as on 1.1.94 3,000 Billiards table purchased 39,000		
		Entrance fees 5,500 Wages paid 53,300		
		Rent paid 52,000 Repairs and renewals 8,060		
		Stationery purchased 30,680 Interest paid 15,000		
		Subscriptions: 1993 2,000 Balance on 31.12.94 23,960		
		1994 1,69,000		
		1995 3,000		
		Donations 5,000		
		Special subscription for annual day party 34,500		
3	13.a.	(OR)	K3	CO3

Cont...

		From the given particulars, show how these items would appear in the income and expenditure account for the year 1996:																						
		<table><tr><td>Receipts</td><td>Rs.</td><td>Payments</td><td>Rs.</td></tr><tr><td>To balance</td><td></td><td>By salaries</td><td>20,000</td></tr><tr><td>Cash</td><td>1,000</td><td>By insurance</td><td>1,000</td></tr><tr><td>Bank</td><td>2,000</td><td></td><td></td></tr><tr><td>Subscription</td><td>10,000</td><td></td><td></td></tr></table>	Receipts	Rs.	Payments	Rs.	To balance		By salaries	20,000	Cash	1,000	By insurance	1,000	Bank	2,000			Subscription	10,000				
Receipts	Rs.	Payments	Rs.																					
To balance		By salaries	20,000																					
Cash	1,000	By insurance	1,000																					
Bank	2,000																							
Subscription	10,000																							
	13.b.	Additional information:	Rs.																					
		Subscription received in advance during	1995	650																				
		Outstanding subscription during the year	1996	500																				
		Outstanding subscription for the year	1996	600																				
		Subscription received in advance for	1997	750																				
		Outstanding salaries for the year	1995	400																				
		Outstanding salaries for the year	1996	500																				
		Insurance prepaid during the year	1995	250																				
		Insurance prepaid during the year	1996	250																				
4	14.a.	The trial balance of a firm is out. The following errors were found, subsequently, to have been committed. Pass journal entries to correct them, and ascertain the difference in the trial balance. a. An amount of Rs.100 was received from D.D as on 31st December, 1992 but had been entered in the cash book on 3rd January, 1993. b. The returns inwards books for December had been cast Rs.100 short. c. The purchase of an office table costing Rs.300 had been passed through the Purchase Day Book. d. Rs.375 paid for wages to workmen for making show cases had been charged to Wages Account. e. A purchase of Rs.671 had been posted to the debit of the creditors account as Rs.617. The creditor is P.Panna & Co.	K2	CO4																				
		(OR)																						
	14.b.	Prepare a Bank Reconciliation Statement : (a) Overdraft as per Pass Book – Rs.2,000 (b) Two cheques from P and Q for Rs.200 and Rs.400 were deposited with the bank but were still not collected by the bank. (c) A cheque for Rs.1,000 issued to Mr.X not yet presented to the bank for payment. (d) Interest on investment Rs.100 appears in the Pass Book.																						
5	15.a.	XD Ltd. Purchased equipment for Rs.90,000 on 1.1.2016 and depreciation is provided under straight line method @ 15% p.a. On 1.1.2020, it was decided to follow the diminishing balance method of depreciation @10% p.a. show the Equipment Account for the year2020	K2	CO5																				
		(OR)																						
	15.b.	A Company purchased a plant for Rs.5,00,000 The useful Life of the Plant is 10 years and the residual value is Rs.50,000. Find out the Rate of Depreciation and amount of Depreciation by using Fixed percentage method.																						

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	Enter following transactions in the Bank column cash Book of M/s Tea Traders for April 2014 Date 2014 Details Amount April 01 Commenced business with Cash 60,000 April 03 Opened Bank account with SBI 45,000 April 05 Purchased Goods by Cash 7,000 April 10 Purchased Office Machine for cash 5,000 April 15 Sold Goods to Manjula and received cheque 6,000 April 18 Cash Sales 10,000 April 20 Manjula's Cheque deposited into Bank April 22 Paid Wages by cheque 300 April 25 Cash withdrawn from Bank for personal use 3,000 April 30 Rent paid by Cheque 2,000	K4	CO1

Cont...

Cont...

2	17	The following are the ledger balances extracted from the books of Weifa				K5	CO2				
			Rs.		Rs.						
		Weifa's capital	50000	Sales	3,01,000						
		Bank overdraft	8400	Return inwards	5000						
		Furniture	5200	Discount(cr.)	800						
		Business premises	40000	Taxes & insurance	4000						
		Creditors	26600	General expenses	8000						
		Opening stock	44000	Salaries	18000						
		Debtors	36000	Commission allowed	4400						
		Rent from tenants	2000	Carriage on purchases	3600						
		Purchases	220000	Provision for Doubtful debts	1000						
		Bad debts written off	1600								
		Adjustments: i) Stock on hand on 31.12.2015 was estimated asRs.40120 ii)Write off depreciation on business premises Rs.600 and furniture Rs.520 iii) Make a provision of 5% on debtors for bad & doubtful debts. iv) Allow interest on Capital at 5% and carry forward Rs.1400 for unexpired insurance. Prepare Final Accounts for the year ended31.12.2015									
		3	18	The following particulars relate to Santhosh club for the year ended 31-12-1992. Receipts and payments A/c For the year ended 31 st march, 1984.				K6	CO3		
Receipts	Rs.			Payments	Rs.						
To cash on 1-4-1983	20,000			By pay and allowances	70,500						
To tuition fees	59,000			By provident fund contribution	5,540						
To fines	1,000			By printing and stationery	700						
To grants from state government	30,000			By books for library	4,600						
To interest on securities	300			By postage and telegrams	500						
To rent from use of hall	1,000			By newspapers	300						
				By science equipments (capital exp)	480						
				By laboratory expenses	500						
				By construction of new building	4,700						
				By repairs and maintenance	600						
				By audit fees	300						
				By general charges	580						
				By cash on 31-3-1984	22,000						
	1,11,300				1,11,300						
The college had the following assets as on 31 st march 1983: Furniture Rs. 35,000; land and buildings Rs. 1,60,000; library books Rs. 24,000 investments Rs. 10,000 and Outstanding tuition fees Rs.2,200. Provide for depreciation on the closing balances of the following assets Land and building @ 5%, furniture @ 15% and library books @ 20%.											
4	19			Prepare a Bank Reconciliation Statement : Balance as per Pass Book: Rs. 15,000 (Overdraft) Balance as per Cash Book: Rs. 20,000 Adjustments: Cheque for Rs. 1,500 was deposited but not yet collected by the bank. Cheque for Rs. 2,000 issued to a supplier was not yet presented for payment. Interest of Rs. 200 on overdraft was recorded in the Pass Book but not in the Cash Book. Bank charges of Rs. 100 were debited in the Pass Book but not recorded in the Cash Book						K4	CO4
5	20	A Ltd. purchased on 1st April, 2019 a machinery for Rs. 2,91,000 and incurred Rs. 9000 for installation. On 1 st October another machinery for Rs. 1,00,000 was purchased. On 1st October 2020 the machinery purchased on 01/04/2019 having become useless was sold for Rs. 1,93,000 and on that day a new machinery was purchased for Rs. 2,00,000. Depreciation was provided on 31st March each year @ 10 percent p.a on written Down Value. You are required to prepare machinery account.				K5	CO5				