

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

**BCom DEGREE EXAMINATION DECEMBER 2024
(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	What is the important objective of accounting? (a) To maintain records. (b) Depiction of financial position. (c) Make information available to various Groups and users. (d) All of three	K1	CO1
	2	Which of the following best describes the meaning of Purchases? (a) Goods bought on credit (b) Goods paid for (c) Goods bought for resale (d) Items bought	K2	CO1
2	3	The Cash Book debit balance is equivalent to? (a) Credit Balance as per passbook (b) Overdraft as per Cash Book (c) Overdraft as per Pass Book (d) None of the above	K1	CO2
	4	A Bank Reconciliation Statement is made up using the _____ from following which? (a) The bank column of the Cashbook and the Bank Statement (b) The Cash column of the Cashbook and Bank statement (c) Bank column of the cash book and cash column of the Cashbook (d) None of all of the above	K2	CO2
3	5	The main objective of depreciation is (a) To show the previous profit (b) To calculate net profit (c) To reduce tax (d) To satisfy the tax department	K1	CO3
	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	CO3
4	7	Accounts that are maintained under a single entry system is _____. (a) Personal accounts (b) Impersonal accounts (c) both (a) and (b) (d) Real Accounts	K1	CO4
	8	The single entry system can be adopted by _____. (a) Small firms (b) Joint Stock Companies (c) Co-operative Societies (d) Banking Companies	K2	CO4
5	9	Business is said to be in a profit when (a) Expenditure exceeds income (b) Income exceeds expenditure (c) Income exceeds liability (d) Assets exceed expenditure	K1	CO5
	10	When a Liability is decreased or reduced, it is registered on the (a) Debit side or left side of the account (b) Credit side or right side of the account (c) Debit side or right side of the account (d) Credit side or left side of the account	K2	CO5

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 the Bases of Accounting?	K2	CO1
		(OR)		
	11.b.	Distinguish Capital receipts from revenue receipts?		
2	12.a.	Rectify the following errors: (i) Purchases from Akila for Rs. 1,500 have been posted to the debit side of her account. (ii) Sales to Vijay for Rs.1,520 have been posted to his credit as Rs.1, 250. (iii) Purchases from Chandra for Rs.750 has been omitted to be posted to the personal A/c. (iv) Sales to Kandan for Rs. 780 have been posted to his account as Rs.870.	K3	CO2

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		(OR)																										
	12.b.	Prepare Trial Balance from the following: <table><tr><td></td><td>Rs.</td></tr><tr><td>Capital</td><td>9,000</td></tr><tr><td>Renting Outstanding</td><td>1,000</td></tr><tr><td>Plant and machinery</td><td>12,000</td></tr><tr><td>Opening Stock</td><td>2,000</td></tr><tr><td>Purchases</td><td>8,000</td></tr><tr><td>Sales Returns</td><td>4,000</td></tr><tr><td>Sales</td><td>12,000</td></tr><tr><td>Investment</td><td>14,000</td></tr><tr><td>Sundry Creditors</td><td>8,000</td></tr><tr><td>Debtors</td><td>12,000</td></tr><tr><td>Bank Loan</td><td>22,000</td></tr></table>		Rs.	Capital	9,000	Renting Outstanding	1,000	Plant and machinery	12,000	Opening Stock	2,000	Purchases	8,000	Sales Returns	4,000	Sales	12,000	Investment	14,000	Sundry Creditors	8,000	Debtors	12,000	Bank Loan	22,000		
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3	13.a.	A company whose accounting year is the calendar year purchased on 1 st April 1986 machinery costing Rs.30, 000. It purchased further machinery on 1 st October 1986 costing Rs.20, 000 and on 1 st July 1987 costing Rs.10, 000. On 1 st Jan. 1988 one third of the machinery installed on 1 st April 1986 became obsolete and was sold for Rs.3,000. Show how the machinery A/c would appear in the books of the company. Machinery is depreciated at 10% p.a. under fixed installment method.	K3	CO3																								
		(OR)																										
	13.b.	Machinery was purchased on 1.1.86 for Rs.40,000. On 30 th June, another second hand machine was purchased for Rs.15, 000 and Rs.5, 000 was spent for repairs. On 30 th June 1987 the second machine was sold for Rs.15, 000. Prepare machine account after allowing depreciation of 10% p.a. on the written down value.																										
	14.a.	State the difference between Bill Exchange and Promissory Note.																										
		(OR)																										
4	14.b.	Mr.Saravanan, a retail merchant commenced business with a capital of Rs.12, 000 on 1.1.94. Subsequently on 1.5.94 ha invested further capital of Rs.5, 000. During the year, he has withdrawn Rs.2, 000 for his personal use. On 31.12.94, his assets and liabilities were as follows:- <table><tr><td></td><td>Rs.</td></tr><tr><td>Cash at Bank</td><td>3,000</td></tr><tr><td>Debtors</td><td>4,000</td></tr><tr><td>Stock</td><td>16,000</td></tr><tr><td>Furniture</td><td>2,000</td></tr><tr><td>Creditors</td><td>5,000</td></tr></table> Calculate the profit (or) loss made during the year 1994.		Rs.	Cash at Bank	3,000	Debtors	4,000	Stock	16,000	Furniture	2,000	Creditors	5,000	K4	CO4												
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5	15.a.	From the following details, calculate total sales made during the year2015. <table><tr><td></td><td>Rs.</td></tr><tr><td>Debtors (1.1.2015)</td><td>17,425</td></tr><tr><td>Debtors (31.12.2015)</td><td>15,300</td></tr><tr><td>Cash received from debtors</td><td>49,200</td></tr><tr><td>Sales returns</td><td>3,700</td></tr><tr><td>Bad debts</td><td>2,500</td></tr><tr><td>Discount 1,800 Bills receivable</td><td>5,000</td></tr><tr><td>Cash sales</td><td>1, 2000</td></tr></table>		Rs.	Debtors (1.1.2015)	17,425	Debtors (31.12.2015)	15,300	Cash received from debtors	49,200	Sales returns	3,700	Bad debts	2,500	Discount 1,800 Bills receivable	5,000	Cash sales	1, 2000	K5	CO5								
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		(OR)																										
	15.b.	State the Importance of Final Accounts.																										

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	Briefly explain the various accounting concepts.	K3	CO1
2	17	Analyze and rectify the following error in the books of Mr.X. The Trial balance was out by Rs.986, excess credit. The difference has been posted to Suspence account. i) A Sale of Rs.400 to Bobby & Co. was wrongly credited to their account. ii) A Purchase of Rs.134 has been posted to the creditors account of Rs.120 iii) The total of return inwards book for December has been cost Rs.200 short iv) A cheque for Rs.400 received from Sandhya had been dishoured and was posted to the debit of allowance acoount.	K4	CO2

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3	18	A Second hand machine was purchased on 1-1-90 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 1991, another machine was purchased for Rs. 26,000. On 1st July 1992 the first machine was sold for Rs.30, 000. On the same day, one more machine was bought for Rs.25, 000. On 31-12-92, the machine bought on 1st July 1991 was sold for Rs. 23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum. Prepare the machinery A/c for 3 years ending 31-12-92.	K5	CO3																																												
4	19	The Position of a businessman who keeps his books on single entry was as under on 31.12.1990 and 31.12.1991. <table><thead><tr><th></th><th>1990</th><th>1991</th></tr><tr><th></th><th>Rs.</th><th>Rs.</th></tr></thead><tbody><tr><td>Cash in Hand</td><td>400</td><td>480</td></tr><tr><td>Cash at Bank</td><td>6,000</td><td>2,500</td></tr><tr><td>Stock</td><td>6,500</td><td>5,000</td></tr><tr><td>Debtors</td><td>4,000</td><td>5,200</td></tr><tr><td>Furniture</td><td>300</td><td>350</td></tr><tr><td>Sundry Creditors</td><td>4,100</td><td>3,100</td></tr></tbody></table> He withdraws Rs.7, 500 from business on 2.1.1991 out of which he spent Rs.5, 200 for purchase of a motor truck for the business. Adjustment: (a) Depreciation on closing balance of furniture and truck at 10% (b) Write off Rs.220 as bad debts (c) 5% provision for bad and doubtful debts is needed. Find out the Profit or Loss for the year.		1990	1991		Rs.	Rs.	Cash in Hand	400	480	Cash at Bank	6,000	2,500	Stock	6,500	5,000	Debtors	4,000	5,200	Furniture	300	350	Sundry Creditors	4,100	3,100	K5	CO4																				
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5	20	Prepare Trading and profit and Loss Account and Balance Sheet for the year ended 31-3-99. <table><thead><tr><th></th><th>Rs.</th></tr></thead><tbody><tr><td>Capital</td><td>80,000</td></tr><tr><td>Drawings</td><td>6,000</td></tr><tr><td>Opening Stock (1-4-98)</td><td>45,000</td></tr><tr><td>Purchases</td><td>2, 50,000</td></tr><tr><td>Sales</td><td>3, 10,000</td></tr><tr><td>Furniture</td><td>10,000</td></tr><tr><td>Debtors</td><td>40,000</td></tr><tr><td>Freight</td><td>4,800</td></tr><tr><td>Trade Expenses</td><td>500</td></tr><tr><td>Salary</td><td>5,500</td></tr><tr><td>Rent</td><td>2,400</td></tr><tr><td>Advertisement</td><td>5,000</td></tr><tr><td>Insurance Premium</td><td>400</td></tr><tr><td>Commission earned</td><td>1,300</td></tr><tr><td>Discount allowed</td><td>200</td></tr><tr><td>Bad debt</td><td>1800</td></tr><tr><td>Provision for Bad Debts</td><td>900</td></tr><tr><td>Creditors</td><td>20,000</td></tr><tr><td>Cash</td><td>5,200</td></tr><tr><td>Bank</td><td>5,800</td></tr><tr><td>Goodwill (at cost)</td><td>20,000</td></tr></tbody></table> Adjustments: a) Closing stock Rs.53, 000. b) Salaries have been paid for 11 month only. c) Prepaid insurance Premium Rs.100. d) Commission earned but not received Rs.122. e) Create 3% provision for bad debts in debtors. f) Depreciation on furniture at 10% is to be charged. g) 1/4th of advertisement is to be written off.		Rs.	Capital	80,000	Drawings	6,000	Opening Stock (1-4-98)	45,000	Purchases	2, 50,000	Sales	3, 10,000	Furniture	10,000	Debtors	40,000	Freight	4,800	Trade Expenses	500	Salary	5,500	Rent	2,400	Advertisement	5,000	Insurance Premium	400	Commission earned	1,300	Discount allowed	200	Bad debt	1800	Provision for Bad Debts	900	Creditors	20,000	Cash	5,200	Bank	5,800	Goodwill (at cost)	20,000	K6	CO5
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