

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2024
(Second Semester)

Common to Branches - **ECONOMICS/ MATHEMATICS/ MATHEMATICS WITH
COMPUTER APPLICATIONS**

ACCOUNTANCY – II

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	-----is the statement sent by the consignee to the consignor regarding the sale of goods consigned. a) Invoice b) Bill c) Account sales d) None of these.	K1	CO1
	2	Consignment Stock is valued a) Cost price b) Market price c) Selling price d) Cost or net realizable value, whichever is less.	K2	CO1
2	3	Subscription received but not yet earned is considered as (a) Asset (b) Liability (c) Income (d) Expenditure	K1	CO2
	4	Investment in sinking fund by a not-for-profit organization is (a) Liability (b) Accumulated fund (c) Asset (d) Equity	K2	CO2
3	5	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	K1	CO3
	6	Depreciation is primarily provided due to: (a) Reduce tax burden. (b) Replacement of fixed asset in future. (c) Comply with legal requirements. (d) All of the above.	K2	CO3
4	7	The act of buying an asset without having to make full payment in the immediate future is known as: (a) Hire purchase (b) Finance lease (c) Operating lease (d) Sale and leaseback	K1	CO4
	8	The persons who obtained delivery of possession of goods from the owner under the hire purchase agreement is known as (a) Purchaser (b) Hirer (c) Vendor (d) None of the above	K2	CO4
5	9	Profitability ratio is generally shown in _____. (a) Simple ratio (b) Percentage (c) Times (d) None of the above	K1	CO5
	10	_____ is also known as a liquid ratio. (a) Current ratio (b) Quick ratio (c) Capital ratio (d) None of the above	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.	Write a short note on: 1. Simple Commission 2. Over-riding Commission 3. Del-credere Commission	K3	CO1
		(OR)		
	11.b.	Mr. Rakesh of Mumbai sent 2000 tons of Coal on consignment @ Rs.300 per ton. Consigner paid Rs.10,000 carriage and Rs.8,000 for wages. Consignee spent Rs.2,000 for expenses. Mr. Deepak received 10 per cent less coal. Deepak sold 1500 ton coal @ Rs. 400 per ton. Calculate value of unsold stock.		
2	12.a.	With the following particulars, please find out the amount of subscription to be shown in an income & expenditure account – Outstanding subscription at the beginning of the year (as on 01-04-2013)=6,000 Amount as shown in the receipt and payment account =26,000 Outstanding subscription at the end of the year (31-03-14)=4,000 Subscription received in advance for the next year=2,000	K3	CO2
		(OR)		
	12.b.	Kolkata Knight Riders Sport Club has the following items as on March 31, 2019. Match Fund ₹1,00,000; Match Expenses ₹ 1,20,000; Sale of Match tickets ₹50,000. Show how you will deal with the above items when preparing final accounts of KKR Sport club.		
3	13.a.	X limited purchased a machine on April 1, 2011 for Rs.1,00,000 whose life was expected to be 10 years. Its estimated scrap value at the end of 10 years was Rs.10,000. Find the amount of depreciation to be charged to Profit and Loss Account every year. Calculate the rate on which depreciation is to be charged every year.	K3	CO3
		(OR)		
	13.b.	Company ABC paid Rs.20,000 for an asset that was estimated to be worth Rs.2,500 at the end of its useful life. An asset's projected useful life is five years. What is the appropriate depreciation amount for a company's financial statement and what will be the depreciation expense when a company charges 20% per annum? Use the declining balance method.		
4	14.a.	Explain the features of Hire Purchase System.	K6	CO4
		(OR)		
	14.b.	On 1st Jan, 20X1, A Ltd. purchased a machine from B Ltd. On hire purchase basis on the following terms: (a) Cash-Price-Rs. 7,92,500 (b) Cash Down Payment-20% (c) Four annual equal installments of Rs. 2,00,000 each to be paid at the end of each year. Required: Compute the amount of interest pertaining to each accounting year assuming (a) That the sales were made at the beginning of the year, and (b) That the sales were made uniformly throughout the year.		

5	15.a.	From the following particulars calculate the liquidity ratios: a) Current Ratio b) Quick Ratio c) Cash Ratio		K6	CO5
		Particulars	Amount		
		Inventory	140000		
		Sundry Debtors	280000		
		Cash	50000		
		Bills receivable	20000		
		Creditors	300000		
		Bank Overdraft	50000		
(OR)					
15.b.	From the following information, calculate the operating profit ratio: Cost of goods sold: 400,000 Administrative exp.: 30,000 Selling exp.: 50,000 Net sales: 600,000				

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	What do you mean by Consignment? What are its salient features?	K3	CO1
2	17	Elaborate the differences Between Trading and Not-for-Profit Concerns.	K3	CO2

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3	18	A Ltd. purchased a 5 years lease on 1 April 2013 for ₹500000. It is decided to write off depreciation on lease using the Annuity Method. The rate of interest is presumed to be 6% p.a. The annuity for ₹1 for 5 years at 6% interest is 0.237396. Prepare the Lease A/c and the Profit & Loss A/c for 5 years.	K3	CO3																																																									
4	19	Rapid Engineering Works sold to CSFIE Ltd. a machine on the cash value of Rs. 31,360 on hire purchase basis on 1st April, 2011. A sum of Rs. 9,000 was paid at the time of delivery. The balance was payable in three equal annual installments of Rs. 9,000 each payable on 31st March of every year. Interest was charged at the rate of 10% per annum. The purchaser charged 10% depreciation per annum on the diminishing balances on the machine. Hire purchaser failed to pay the installment due on 31st March, 2013. Rapid Engineering Works obtained the permission of the court to repossess the machine as a result of default by the purchaser and having completed all the statutory CO5 requirements took possession of the machine on 31st May, 2013. Prepare the necessary ledger accounts in the books of hire purchaser.	K3	CO4																																																									
5	20	<p>Following are the balance sheets of Alpha Ltd. as at March 31st, 2016 and 2017:</p> <table><tr><th>Particulars</th><th>2016 Rs.</th><th>2017 Rs.</th></tr><tr><td>I. Equity and Liabilities</td><td></td><td></td></tr><tr><td>Equity share capital</td><td>2,00,000</td><td>4,00,000</td></tr><tr><td>Reserves and surplus</td><td>1,00,000</td><td>1,50,000</td></tr><tr><td>Long-term borrowings</td><td>2,00,000</td><td>3,00,000</td></tr><tr><td>Short-term borrowings</td><td>50,000</td><td>70,000</td></tr><tr><td>Trade payables</td><td>30,000</td><td>60,000</td></tr><tr><td>Short-term provisions</td><td>20,000</td><td>10,000</td></tr><tr><td>Other current liabilities</td><td>20,000</td><td>30,000</td></tr><tr><td>Total</td><td>6,20,000</td><td>10,20,000</td></tr><tr><td>II. Assets</td><td></td><td></td></tr><tr><td>Fixed assets</td><td>2,00,000</td><td>5,00,000</td></tr><tr><td>Non-current investments</td><td>1,00,000</td><td>1,25,000</td></tr><tr><td>Current investments</td><td>60,000</td><td>80,000</td></tr><tr><td>Inventories</td><td>1,35,000</td><td>1,55,000</td></tr><tr><td>Trade receivables</td><td>60,000</td><td>90,000</td></tr><tr><td>Short term loans and advances</td><td>40,000</td><td>60,000</td></tr><tr><td>Cash at bank</td><td>25,000</td><td>10,000</td></tr><tr><td>Total</td><td>6,20,000</td><td>10,20,000</td></tr></table>	Particulars	2016 Rs.	2017 Rs.	I. Equity and Liabilities			Equity share capital	2,00,000	4,00,000	Reserves and surplus	1,00,000	1,50,000	Long-term borrowings	2,00,000	3,00,000	Short-term borrowings	50,000	70,000	Trade payables	30,000	60,000	Short-term provisions	20,000	10,000	Other current liabilities	20,000	30,000	Total	6,20,000	10,20,000	II. Assets			Fixed assets	2,00,000	5,00,000	Non-current investments	1,00,000	1,25,000	Current investments	60,000	80,000	Inventories	1,35,000	1,55,000	Trade receivables	60,000	90,000	Short term loans and advances	40,000	60,000	Cash at bank	25,000	10,000	Total	6,20,000	10,20,000	K3	CO5
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