

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2024
(First Semester)

Branch – BANKING, STOCK AND INSURANCE

INTRODUCTION TO FINANCIAL 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	Posting is the process of _____ a) Posting the letters in drop box b) Posting suitable person to a suitable job c) Entering in the ledger the information contained in the ledger d) All the Above	K1	CO1
	2	Which of the following is a real A/c? a) Salary A/c b) Bank A/c c) Building A/c d) Goodwill A/c	K2	CO1
2	3	Which of the following is a representative personal A/c? a) Outstanding salary A/c b) Rent A/c c) SBI A/c d) Bad debts A/c	K1	CO2
	4	Goodwill A/c is a _____ a) Nominal A/c b) Tangible asset c) Intangible asset d) Fictitious asset	K2	CO2
3	5	Bank reconciliation is a statement prepared to reconcile _____ a) Trial balance b) Cash book c) Bank A/c d) Cash as per cash book with bank balance as per bank pass book	K1	CO4
	6	Bank reconciliation statement is a part of _____ a) Cash book b) Trial balance c) Auditors report d) Balance Sheet	K2	CO4
4	7	Schedule XIV of the Companies Act specifies _____ as minimum rate of depreciation (WDV) on ship fishing vessels a) 27% b) 33% c) 10% d) 15%	K1	CO5
	8	_____ is also known as Appraisal system of depreciation a) Inventory system b) Survey system c) Annuity system d) Insurance	K2	CO5
5	9	Accommodation bills are generally for _____ a) Genuine trade reasons b) For mutual financial accommodation c) To help augment money supply d) All the Above	K1	CO3
	10	A foreign bill of exchange is generally drawn up in _____ a) Triplicate b) Duplicate c) Single d) Quadruplicate	K2	CO3

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.	Following are the transactions entered into by R after he started his business. Show how various accounts will be affected by these transactions: 2022 April (Rs. in 000) 1. R started business with 5,000 2. He purchased furniture for 1,200 3. Paid salary to his clerk 1,100 4. Paid rent 1,150 5. Received interest 2,000	K1	CO1

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	(OR)			
	11.b.	Prepare the Stationery Ledger Account of a firm for the month of Jan. 2022 duly balanced off, from the following details: Jan. 1 Inventory of stationery Rs.480 Jan. 5 Purchase of stationery by cheque Rs.800 Jan. 15 Purchase of stationery on credit from Five Star Stationery Mart Rs.1,280		
2	12.a.	The following are the credit purchases of M/s. Ballav Brothers: Jan. 1, 2023, Purchases from M/s. Saurabh & Co.- gross Rs.1,00,000 less 1% trade discount. Jan. 3, 2023, Purchases from M/s. Netai & Co.- gross Rs.70,000 less 1% trade discount. Jan. 6, 2023, Purchases from M/s. Saurabh & Co.- gross Rs.60,000 less 1% trade discount. Let us cast M/s. Saurabh & Co.'s Account.	K4	CO4
	(OR)			
	12.b.	The Bank Overdraft of Ram on 31-3-2013 as per cash book is Rs.9000. From the following particulars, Prepare BRS. Unpresented Cheque 3000 Uncleared Cheque 1700 Bank interest debited in the pass book bills 500 Bill collected and credited in the pass book only 800 Cheque of Rais dishonoured Rs 500 Cheques issued to Sam entered in the cash column of cash book 300		
3	13.a.	Jain Bros. acquired a machine on 1st July, 2021 at a cost of Rs.14,00,000 and spent Rs.1,00,000 on its installation. The firm writes off depreciation at 10% p.a. of the original cost every year. The books are closed on 31st December every year. You are required to show the Machinery Account.	K5	CO5
	13.b.	(OR) Jain Brothers acquired a machine on 1st July, 2021 at a cost of Rs.14,00,000 and spent Rs.1,00,000 on its installation. The firm writes off depreciation at 10% p.a. every year. The books are closed on 31st December every year, You required show the Machinery Account on diminishing balance method for the year 2021 and 2022.		
4	14.a.	State the Types of Rectification of Errors	K2	CO2
	(OR)			
	14.b.	How do you compute the claim for Loss of stock?		
5	15.a.	A receives three promissory notes from B, dated 1st January, 2012 for 3 months. One bill is for Rs 3,000, the second is for Rs 4,000 and the third is for Rs 5,000. The second bill is immediately endorsed in favour of C and on 4th January, 2012 the third bill is discounted with the bank for Rs 4,700. Pass the entries in A's journal assuming (i) the bills are met on maturity and (ii) they are dishonoured.	K3	CO3
	(OR)			
	15.b.	A Company acquired a machine on 1.1.2020 at a cost of Rs.40,000 and spent Rs.1000 on its Installation. The firm writes off Depreciation at 10 % on the Diminshing balance. The Books are closed on 31 st December of each year. Show the machinery Account for 3 years.		

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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	X draws on Y a bill of exchange for Rs 15,000 on 1st April, 2011 for 3 months. Y accepts the bill and sends it to X who gets it discounted for Rs 14,400. X immediately remits Rs 4,800 to Y. On the due date, X, being unable to remit the amount due, accepts a bill for Rs 21,000 for three months which is discounted by Y for Rs 20,055. Y sends Rs 3,370 to X. Before the maturity of the bill X becomes bankrupt, his estate paying fifty paise in the rupee. Give the journal entries in the books of X and Y. Also show X's account in T's books.	K3	CO3								
2	17	Enter the following transactions in the books of Supriya, the owner of the business in the year 2014. Journalize the transactions, Jan. 8 Purchased goods worth Rs. 5,000 from Sarita on credit. Jan. 12 Neha Purchased goods worth Rs. 4,000 from Supriya on credit. Jan. 18 Received a Cheque from Neha in full settlement of her account Rs. 3,850. Discount allowed to her Rs. 150 Jan. 20 Payment made to Sarita Rs. 4,900. Discount allowed by him Rs. 100. Jan. 22 Purchased goods for cash 'Rs. 10,000. Jan. 24 Goods sold to Kavita for Rs. 15,000. Trade discount @ 20% is allowed to her. Jan. 29 Payment received from Kavita by Cheque	K1	CO1								
3	18	On 31st March 2022, the Bank Pass Book of Namrata showed a balance of Rs. 1,50,000 to her credit while balance as per cash book was Rs. 1,12,050. On scrutiny of the two books, she ascertained the following causes of difference: i) She has issued cheques amounting to Rs. 80,000 out of which only Rs. 32,000 were presented for payment. ii) She received a cheque of Rs. 5,000 which she recorded in her cash book but forgot to deposit in the bank. iii) A cheque of Rs. 22,000 deposited by her has not been cleared yet. iv) Mr. Gupta deposited an amount of Rs. 15,700 in her bank which has not been recorded by her in Cash Book yet. v) Bank has credited an interest of Rs. 1,500 while charging Rs. 250 as bank charges. Prepare a Bank Reconciliation Statement	K4	CO4								
4	19	M/s Surya & Co. took lease of a quarry on 1-1-2019 for Rs. 1,00,00,000. As per technical estimate the total quantity of mineral deposit is 2,00,000 tonnes. Depreciation was charged on the basis of depletion method. Extraction pattern is given in the following table: <table><tr><th>Year</th><th>Quantity of Mineral extracted</th></tr><tr><td>2019</td><td>2,000 tonnes</td></tr><tr><td>2020</td><td>10,000 tonnes</td></tr><tr><td>2021</td><td>15,000 tonnes</td></tr></table> Show the Quarry Lease Account and Depreciation Account for each year from 2019 to 2021.	Year	Quantity of Mineral extracted	2019	2,000 tonnes	2020	10,000 tonnes	2021	15,000 tonnes	K5	CO5
Year	Quantity of Mineral extracted											
2019	2,000 tonnes											
2020	10,000 tonnes											
2021	15,000 tonnes											
5	20	Explain the necessary adjustments of Sole Trader of Final Accounts	K2	CO2								