

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BBA DEGREE EXAMINATION MAY 2024
(First Semester)

Common to Branches - **BUSINESS ADMINISTRATION/ BUSINESS
ADMINISTRATION(IS)/ BUSINESS ADMINISTRATION(RM)/ BUSINESS
ADMINISTRATION(LOGISTICS)**

FINANCIAL ACCOUNTING/ ACCOUNTING FOR MANAGERS

Maximum: 75 Marks

Time: Three Hours

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	Show the accounting concept specifies the practice of crediting closing stock to the trading account? (a) Matching (b) B Cost (c) Realisation (d) Going concern	K1	CO1
	2	Identify the nominal account from the following. (a) Machinery account (b) Building account (c) Creditors account (d) Rent expenses account	K2	CO1
2	3	When a Bank Reconciliation Statement is prepared commencing with the debit balance of the Cash Book, Cheques issued but not presented should be (a) added (c) neither added nor deducted. (b) deducted (d) none of these	K1	CO2
	4	Which book is maintained for recording the bills received from the customers? (a) Bills Receivable (b) Bills Payable (c) Sales Return (d) Purchase Return	K2	CO2
3	5	Which of the following is the base for preparing Balance Sheet. (a) Journal(b) Ledger (d) Cash account (c) Trial balance	K1	CO3
	6	Identify the assets from the following. (a) Investment (b) Creditors (c) Outstanding (d) Bank overdraft	K2	CO3
4	7	How will you calculate the amount of depreciation under the diminishing balance method (a) The original cost of the asset (b) The market value of the asset (c) The written-down value of the asset (d) The expected realizable value of the asset	K1	CO4
	8	Which method of depreciation would you recommend for coal mines? (a) Diminishing balance method (b) Depreciation Fund method (c) Straight line method (d) Depletion method	K2	CO4
5	9	Show the account do not maintain by Non-trading concerns? (a) Payment and receipt account (b) Income and expenditure account (c) Balance sheet (d) Trading Profit and Loss account	K1	CO5
	10	How many days of grace does the drawer give to the drawee for payment of bills of exchange? (a) One (b) Two (c) Three (d) Four	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.	Explain the various accounting concepts.	K2	CO1																																			
	(OR)																																						
	11.b.	<p>From the Under mentioned Balances extracted from the books of a Sole trader on 31st December, demonstrate a Trail Balance as on 31st Dec.</p> <table><tr><th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr><tr><td>Cash in hand</td><td>2,000</td><td>Plant & Machinery</td><td>1,20,000</td></tr><tr><td>Capital</td><td>2,00,000</td><td>Sales</td><td>4,00,000</td></tr><tr><td>Purchases</td><td>2,40,000</td><td>Furniture</td><td>30,000</td></tr><tr><td>Bills Payable</td><td>44,000</td><td>Bad Debts Reserve</td><td>2,000</td></tr><tr><td>Stock (Opening)</td><td>70,000</td><td>Bills Receivable</td><td>40,000</td></tr><tr><td>Sundry Debtors</td><td>1,00,000</td><td>Rent & Taxes</td><td>20,000</td></tr><tr><td>Sundry Creditors</td><td>48,000</td><td>Salaries</td><td>40,000</td></tr><tr><td>Wages</td><td>32,000</td><td></td><td></td></tr></table>	Particulars	Rs.	Particulars	Rs.	Cash in hand	2,000	Plant & Machinery	1,20,000	Capital	2,00,000	Sales	4,00,000	Purchases	2,40,000	Furniture	30,000	Bills Payable	44,000	Bad Debts Reserve	2,000	Stock (Opening)	70,000	Bills Receivable	40,000	Sundry Debtors	1,00,000	Rent & Taxes	20,000	Sundry Creditors	48,000	Salaries	40,000	Wages	32,000			K2
Particulars	Rs.	Particulars	Rs.																																				
Cash in hand	2,000	Plant & Machinery	1,20,000																																				
Capital	2,00,000	Sales	4,00,000																																				
Purchases	2,40,000	Furniture	30,000																																				
Bills Payable	44,000	Bad Debts Reserve	2,000																																				
Stock (Opening)	70,000	Bills Receivable	40,000																																				
Sundry Debtors	1,00,000	Rent & Taxes	20,000																																				
Sundry Creditors	48,000	Salaries	40,000																																				
Wages	32,000																																						
2	12.a.	<p>Illustrate a bank reconciliation statement from the following data as on 31.12.2020.</p> <table><tr><th>Particulars</th><th>Rs</th></tr><tr><td>(a) Balance as a per cash book</td><td>12,500</td></tr><tr><td>(b) Cheques issued but not presented for payment</td><td>900</td></tr><tr><td>(c) Cheques Deposited in bank but not collected</td><td>1,200</td></tr><tr><td>(d) Bank paid insurance premium</td><td>500</td></tr><tr><td>(e) Direct deposit by a customer</td><td>800</td></tr><tr><td>(f) Interest on investment collected by bank</td><td>200</td></tr><tr><td>g) Bank charges</td><td>100</td></tr></table>	Particulars	Rs	(a) Balance as a per cash book	12,500	(b) Cheques issued but not presented for payment	900	(c) Cheques Deposited in bank but not collected	1,200	(d) Bank paid insurance premium	500	(e) Direct deposit by a customer	800	(f) Interest on investment collected by bank	200	g) Bank charges	100	K2	CO2																			
	Particulars	Rs																																					
	(a) Balance as a per cash book	12,500																																					
(b) Cheques issued but not presented for payment	900																																						
(c) Cheques Deposited in bank but not collected	1,200																																						
(d) Bank paid insurance premium	500																																						
(e) Direct deposit by a customer	800																																						
(f) Interest on investment collected by bank	200																																						
g) Bank charges	100																																						
(OR)																																							
12.b.	<p>Write Journal Entries to rectify the following errors:</p> <p>i) A purchase of Rs 2,000 from Raja was omitted to be entered.</p> <p>ii) Paid to Kamaraj Rs.1,000 wrongly debited to Ramaraj a/c</p> <p>iii) A purchase of machinery from HMT Ltd.,for Rs50,000 was wrongly passed through purchases book.</p> <p>iv) Rs.200 received as interest from Ravi was wrongly credited to Ravi's a/c</p>	K3	CO2																																				

Cont...

3	13.a.	<p>The following balances are taken from the book of M/s RSP Ltd., Show the profit and loss account for the year ended 31st March 2018.</p> <table><tr><th>Particulars</th><th>Rs</th></tr><tr><td>Gross profit</td><td>5,25,000</td></tr><tr><td>Rent</td><td>10,000</td></tr><tr><td>Interest on loan</td><td>5,000</td></tr><tr><td>Distribution charges</td><td>2,500</td></tr><tr><td>Bad debts</td><td>2,200</td></tr><tr><td>Commission received</td><td>3,000</td></tr><tr><td>Interest received</td><td>5,000</td></tr><tr><td>Taxes and insurance</td><td>2,000</td></tr><tr><td>Salaries and wagers</td><td>1,00,000</td></tr><tr><td>Depreciation</td><td>5,000</td></tr><tr><td>Office expenses</td><td>1,500</td></tr><tr><td>Salesman salary</td><td>8,000</td></tr><tr><td>Stationary and printing</td><td>500</td></tr><tr><td>Discount received</td><td>2,000</td></tr><tr><td>Advertising</td><td>9,000</td></tr></table>	Particulars	Rs	Gross profit	5,25,000	Rent	10,000	Interest on loan	5,000	Distribution charges	2,500	Bad debts	2,200	Commission received	3,000	Interest received	5,000	Taxes and insurance	2,000	Salaries and wagers	1,00,000	Depreciation	5,000	Office expenses	1,500	Salesman salary	8,000	Stationary and printing	500	Discount received	2,000	Advertising	9,000	K2	CO3
	Particulars	Rs																																		
Gross profit	5,25,000																																			
Rent	10,000																																			
Interest on loan	5,000																																			
Distribution charges	2,500																																			
Bad debts	2,200																																			
Commission received	3,000																																			
Interest received	5,000																																			
Taxes and insurance	2,000																																			
Salaries and wagers	1,00,000																																			
Depreciation	5,000																																			
Office expenses	1,500																																			
Salesman salary	8,000																																			
Stationary and printing	500																																			
Discount received	2,000																																			
Advertising	9,000																																			
	(OR)																																			
	13.b.	<p>From the following information, predict the Balance sheet.</p> <table><tr><th>Particulars</th><th>Rs</th></tr><tr><td>Capital</td><td>4,00,000</td></tr><tr><td>Furniture</td><td>1,00,000</td></tr><tr><td>Bank balance</td><td>50,000</td></tr><tr><td>Cash in hand</td><td>75,000</td></tr><tr><td>Profit</td><td>25,000</td></tr><tr><td>Bills receivable</td><td>50,000</td></tr><tr><td>Bills payable</td><td>40,000</td></tr><tr><td>Sundry debtors</td><td>30,000</td></tr><tr><td>Sundry creditors</td><td>50,000</td></tr><tr><td>Goodwill</td><td>60,000</td></tr><tr><td>Building</td><td>1,50,000</td></tr></table>	Particulars	Rs	Capital	4,00,000	Furniture	1,00,000	Bank balance	50,000	Cash in hand	75,000	Profit	25,000	Bills receivable	50,000	Bills payable	40,000	Sundry debtors	30,000	Sundry creditors	50,000	Goodwill	60,000	Building	1,50,000	K5	CO3								
Particulars	Rs																																			
Capital	4,00,000																																			
Furniture	1,00,000																																			
Bank balance	50,000																																			
Cash in hand	75,000																																			
Profit	25,000																																			
Bills receivable	50,000																																			
Bills payable	40,000																																			
Sundry debtors	30,000																																			
Sundry creditors	50,000																																			
Goodwill	60,000																																			
Building	1,50,000																																			
4	14.a.	<p>On 1.1.2016 a firm purchases machinery worth Rs 4,00,000. On 1.7.2016 it buys additional machinery worth Rs.60,000 and spends Rs.5,000 on its erection. The accounts are closed each year on 31st December. Assuming the annual depreciation to be 10%. Prepare the machinery account for 6 years under, Written Down value Method.</p>	K3	CO4																																
	(OR)																																			
	14.b.	<p>In 2018, a company acquired a mine at a cost of Rs 3,00,000. The estimated reserve of minerals in tons is 30,00,000 of which 80% is expected to be raised. The first three years raisings are: 2018-1,60,000 tons, 2019-2,24,000tons, 2020-2,00,000tons.</p> <p>Prepare the mines account charging depreciation under the depletion method</p>	K3	CO4																																

5	15.a.	A four month bills for Rs 500 was returned duly accepted by Natesh on 1 st February, to the drawer, Mahesh, who sent it to his banker for collection. On maturity, the banker informed Mahesh that the bill was honoured. Write journal entries in both the books	K3	CO5
	15.b.	(OR) Suganya owes Bharathiraja the following sums of money due on Rs.400 due on 5 th January 2021 Rs.200 due on 20 th January 2021 Rs.800 due on 4 th February 2021 Rs.100 due on 26 th February 2021 Rs.50 due on 10 th March 2021 You are required to calculate such a date when payment may be made by suganya in one installment resulting in no loss to neither party.	K4	CO5

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	Write Journal entries for the following transactions of M/s Radha & sons	K3	CO1																																																			
		<table><tr><th>2020 Jan</th><th>Particulars</th><th>Rs</th></tr><tr><td>1</td><td>Business started with a capital</td><td>2,50,000</td></tr><tr><td>1</td><td>Cash deposited with bank</td><td>1,50,000</td></tr><tr><td>3</td><td>Purchased machinery on credit from Rangan</td><td>50,000</td></tr><tr><td>6</td><td>Bought furniture from Ramesh for cash</td><td>25,000</td></tr><tr><td>12</td><td>Goods sold to Yesodha</td><td>22,500</td></tr><tr><td>13</td><td>Goods returned by Yesodha</td><td>2,500</td></tr><tr><td>15</td><td>Goods sold for cash</td><td>50,000</td></tr><tr><td>17</td><td>Bought goods for cash</td><td>25,000</td></tr><tr><td>20</td><td>Cash received from Yesodha</td><td>10,000</td></tr><tr><td>21</td><td>Cash paid to Ramola</td><td>20,000</td></tr><tr><td>25</td><td>Cash withdrawn from bank</td><td>50,000</td></tr><tr><td>29</td><td>Paid advertisement expenses</td><td>12,500</td></tr><tr><td>30</td><td>Bought office stationery for cash</td><td>5,000</td></tr><tr><td>31</td><td>Cash withdrawn from bank for personal use of the proprietor</td><td>6,250</td></tr><tr><td>31</td><td>Paid salaries</td><td>15,000</td></tr><tr><td>31</td><td>Paid rent</td><td>2,500</td></tr></table>			2020 Jan	Particulars	Rs	1	Business started with a capital	2,50,000	1	Cash deposited with bank	1,50,000	3	Purchased machinery on credit from Rangan	50,000	6	Bought furniture from Ramesh for cash	25,000	12	Goods sold to Yesodha	22,500	13	Goods returned by Yesodha	2,500	15	Goods sold for cash	50,000	17	Bought goods for cash	25,000	20	Cash received from Yesodha	10,000	21	Cash paid to Ramola	20,000	25	Cash withdrawn from bank	50,000	29	Paid advertisement expenses	12,500	30	Bought office stationery for cash	5,000	31	Cash withdrawn from bank for personal use of the proprietor	6,250	31	Paid salaries	15,000	31	Paid rent	2,500
		2020 Jan			Particulars	Rs																																																	
		1			Business started with a capital	2,50,000																																																	
		1			Cash deposited with bank	1,50,000																																																	
		3			Purchased machinery on credit from Rangan	50,000																																																	
		6			Bought furniture from Ramesh for cash	25,000																																																	
		12			Goods sold to Yesodha	22,500																																																	
		13			Goods returned by Yesodha	2,500																																																	
		15			Goods sold for cash	50,000																																																	
		17			Bought goods for cash	25,000																																																	
		20			Cash received from Yesodha	10,000																																																	
		21			Cash paid to Ramola	20,000																																																	
		25			Cash withdrawn from bank	50,000																																																	
		29			Paid advertisement expenses	12,500																																																	
		30			Bought office stationery for cash	5,000																																																	
		31			Cash withdrawn from bank for personal use of the proprietor	6,250																																																	
31	Paid salaries	15,000																																																					
31	Paid rent	2,500																																																					

Cont...

2	17	<p>Prepare a three column cash book from the following transactions and bring down the balance.</p> <table><tr><th>2018 April</th><th>Particulars</th></tr><tr><td>1</td><td>Cash in hand Rs 2,500</td></tr><tr><td>1</td><td>Cash at Bank Rs 10,000</td></tr><tr><td>2</td><td>Paid into bank Rs. 1,000</td></tr><tr><td>5</td><td>Bought furniture and issued cheque Rs.2,000</td></tr><tr><td>8</td><td>Purchased goods for cash Rs.500</td></tr><tr><td>12</td><td>Received from Mohinder Rs 980 Discount allowed Rs.20</td></tr><tr><td>14</td><td>Cash sales Rs.4,000</td></tr><tr><td>16</td><td>Paid to Amarnath by cheque Rs.1,450 Discount allowed Rs 50</td></tr><tr><td>19</td><td>Paid into Bank Rs.400</td></tr><tr><td>23</td><td>Withdraw from bank for private expenses Rs 600</td></tr><tr><td>24</td><td>Received cheque from Patel Rs.1,430 Allowed him discount Rs.20</td></tr><tr><td>26</td><td>Deposited Patel's cheque into bank</td></tr><tr><td>28</td><td>Withdraw cash from bank for office use Rs 2,000</td></tr><tr><td>30</td><td>Paid rent by cheque Rs 800</td></tr></table>	2018 April	Particulars	1	Cash in hand Rs 2,500	1	Cash at Bank Rs 10,000	2	Paid into bank Rs. 1,000	5	Bought furniture and issued cheque Rs.2,000	8	Purchased goods for cash Rs.500	12	Received from Mohinder Rs 980 Discount allowed Rs.20	14	Cash sales Rs.4,000	16	Paid to Amarnath by cheque Rs.1,450 Discount allowed Rs 50	19	Paid into Bank Rs.400	23	Withdraw from bank for private expenses Rs 600	24	Received cheque from Patel Rs.1,430 Allowed him discount Rs.20	26	Deposited Patel's cheque into bank	28	Withdraw cash from bank for office use Rs 2,000	30	Paid rent by cheque Rs 800	K3	CO2														
2018 April	Particulars																																															
1	Cash in hand Rs 2,500																																															
1	Cash at Bank Rs 10,000																																															
2	Paid into bank Rs. 1,000																																															
5	Bought furniture and issued cheque Rs.2,000																																															
8	Purchased goods for cash Rs.500																																															
12	Received from Mohinder Rs 980 Discount allowed Rs.20																																															
14	Cash sales Rs.4,000																																															
16	Paid to Amarnath by cheque Rs.1,450 Discount allowed Rs 50																																															
19	Paid into Bank Rs.400																																															
23	Withdraw from bank for private expenses Rs 600																																															
24	Received cheque from Patel Rs.1,430 Allowed him discount Rs.20																																															
26	Deposited Patel's cheque into bank																																															
28	Withdraw cash from bank for office use Rs 2,000																																															
30	Paid rent by cheque Rs 800																																															
3	18	<p>From the following balances as at 31st December 2021 demonstrate a Trading , Profit and Loss Account and Balance Sheet.</p> <table><tr><th>Particulars</th><th>Rs</th><th>Particulars</th><th>Rs</th></tr><tr><td>Salaries</td><td>5,500</td><td>Creditors</td><td>9,500</td></tr><tr><td>Rent</td><td>1,300</td><td>Sales</td><td>32,000</td></tr><tr><td>Cash</td><td>1,000</td><td>Capital</td><td>35,000</td></tr><tr><td>Debtors</td><td>40,000</td><td>Loans</td><td>10,000</td></tr><tr><td>Trade Expenses</td><td>600</td><td></td><td></td></tr><tr><td>Furniture</td><td>5,000</td><td></td><td></td></tr><tr><td>Purchases</td><td>25,000</td><td></td><td></td></tr><tr><td>Advances</td><td>2,500</td><td></td><td></td></tr><tr><td>Book Balance</td><td>5,600</td><td></td><td></td></tr><tr><td></td><td>86,500</td><td></td><td>86,500</td></tr></table> <p>i) Closing Stock Rs.9,000 ii) Salary Outstanding Rs.500 iii) Depreciate furniture at 10% iv) Interest on capital allowed 15% v) Prepaid Rent Rs.100</p>	Particulars	Rs	Particulars	Rs	Salaries	5,500	Creditors	9,500	Rent	1,300	Sales	32,000	Cash	1,000	Capital	35,000	Debtors	40,000	Loans	10,000	Trade Expenses	600			Furniture	5,000			Purchases	25,000			Advances	2,500			Book Balance	5,600				86,500		86,500	K2	CO3
Particulars	Rs	Particulars	Rs																																													
Salaries	5,500	Creditors	9,500																																													
Rent	1,300	Sales	32,000																																													
Cash	1,000	Capital	35,000																																													
Debtors	40,000	Loans	10,000																																													
Trade Expenses	600																																															
Furniture	5,000																																															
Purchases	25,000																																															
Advances	2,500																																															
Book Balance	5,600																																															
	86,500		86,500																																													
4	19	<p>A company has acquired a lease of a Cinema building for a term of 5 years by payment for Rs.4,00,000. It is proposed to depreciate the lease by Annuity method charging 5% per annum. Predict the Lease Account of the asset during the period . Reference to the Annuity Table shows that the amount for Re.1 for 5 years at 5% is Re.0.230975. Calculations are to be made to the nearest rupee.</p>	K5	CO4																																												

5

20

From the following receipts and payments account of Alagappa social club on the further information supplied , prepare an income and expenditure account for the year ended December 31st 2018.

RECEIPTS AND PAYMENTS ACCOUNT

2018	Receipts	Rs	Payments	Rs
Jan 1	To Opening balance		By Building	15,000
	Cash at bank 1,000	1,100		
	Cash at hand 100			
Dec 31	To Donation	20,000	By Rent	700
	To Life membership fees	4,000	By Furniture	1,500
	To Subscription	1,800	By Salaries	600
	To Interest on investment	50	By Cricket	200
	To Cricket	150	By Tennis	500
	To Tennis	400	By Gardening	100
	To Playing cards	300	By Printing	50
	To Sundries	100	By Telephone	175
	To Sales of old Newspapers	125	By Advertisement	100
			By Playing cards	200
			By Investment	8,000
			By Balance	900
		28,025		28,025

Outstanding were: Subscriptions Rs 400; Interest on investment Rs 150; Outstanding liabilities were Salaries Rs 200, Rent Rs.200
Subscriptions received in advance for the year 2019 were Rs.100

K3

CO5

Z-Z-Z END