

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom (CS) DEGREE EXAMINATION MAY 2025
(First Semester)

Branch- **CORPORATE SECRETARYSHIP**

FINANCIAL ACCOUNTING - 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	Net profit is calculated in which of the following account? a) Profit and loss account b) Balance sheet c) Trial balance d) Trading account	K1	CO1
	2	Which of the options is not an intangible asset? a) Land b) Patents c) Goodwill d) Franchise rights	K2	CO1
2	3	Invoice Price means _____ a) Cost Price b) Purchase Price c) Selling Price d) Profit	K1	CO2
	4	Over-riding commission is calculated on: a) Cash sales b) Credit sales only c) Sales at higher price d) Credit sales less cash sales	K2	CO2
3	5	The parties to joint venture are called a) Co-ventures b) Partners c) Principal and agent d) Friends	K1	CO3
	6	What does the balance of Memorandum Joint Venture A/c shows a) Profit or Loss b) Closing Stock c) Balance due from other Co – venture d) Difference in Trial Balance	K2	CO3
4	7	In the Income and Expenditure Account, all revenues and expenses are entered on the _____. a) Left-h and side b) Liability side c) Right-h and side d) Asset side	K1	CO4
	8	Sale of the old newspaper is _____. a) Revenue Receipt b) Asset c) Profit d) Capital receipt	K2	CO4
5	9	Red Ink interest is associated with _____ a) Total Sales b) Account Current c) Nominal A/c d) None of these	K1	CO5
	10	When the due date of transaction falls on a public holiday, the due date will be _____. a) The same day b) One day after that holiday c) One day before the holiday d) Three days after holiday	K2	CO5

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

ALL questions carry EQUAL Marks

Module No.	Question No.	Question	K Level	CO							
1	11.a.	What is Accounting Equation?	K4	CO1							
	(OR)										
	11.b.	Calculate Net Profit from the following <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th><th>Rs.</th></tr> </thead> <tbody> <tr> <td>Purchases (200 units)</td><td>10,000</td></tr> <tr> <td>Freight and carriage</td><td>1,200</td></tr> <tr> <td>Rent and Advertising</td><td>600</td></tr> <tr> <td>Sales (150 units)</td><td>10,800</td></tr> </tbody> </table>			Particulars	Rs.	Purchases (200 units)	10,000	Freight and carriage	1,200	Rent and Advertising
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2	12.a.	Prem Consigned 200 boxes of Medicines @ Rs. 100 per box to Ram. He incurred the following expense: Insurance Rs.1,000 Loading Charges Rs.1,600 Freight Rs.1,400 An Account sale was received from Ram which showed that 160 boxes were sold @ Rs. 200 per box. Ram incurred the following expenses: Clearing Charges Rs.1,000 Godown rent Rs.400 Advertisement Rs.600 Other Selling Expenses Rs.1,000 Ascertain the value of stock on consignment and show also relevant entry.	K4	CO2							
(OR)											

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	12.b.	How do you value 'Abnormal Loss of Goods' on Consignment?					
3	13.a.	Ramu and Chand enter into a joint venture to share the results as to 2:1. The joint venture transactions are as under:				K3	CO3
		Ramu (Rs.)	Chand (Rs.)				
		Goods Supplied	60,000	30,000			
		Expense paid	8,000	2,000			
		Sale Proceeds received	80,000	56,000			
		Show the journal entries of Ramu.					
		(OR)					
	13.b.	Sheela and Mala entered into a joint venture agreement to underwrite subscription of 50,000 equity shares of Rs.10 each issued by a newly formed limited company at a premium of Rs.2 per share. The underwriting commission is 4 % as provided in the Article.Public subscription were received for 38,000 shares and the underwriters duly discharged their obligation by taking up the remaining shares. Sheela and Mala contributed Rs.80,000 each and deposited the same in a joint bank account. Sundry expenses incurred out of the joint bank amounted to Rs.5,000. Underwriting commission was received by cheque. Towards the end of the venture 10,000 shares were sold by them in the open market @Rs.14 per share and rest of the shares were taken up by them equally at Rs.13 per share.Profits of the venture were shared equally. You are required to prepare Joint Venture A/c and Co ventures A/c.					
4	14.a.	Find out the amount of salaries to be debited to income and expenditure account for 1999 from the details given below:				K3	CO4
		Payments made for salaries during 1999		Rs.8,000			
		Outstanding Salary as on 31-12-1998		Rs.2,000			
		Outstanding Salary as on 31-12-1999		Rs.3,200			
		Prepaid salary as on 31-12-1998		Rs.1,200			
		Prepaid salary as on 31-12-1999		Rs.1,600			
		(OR)					
	14.b.	From the following details, prepare Receipts & Payment A/c of the Chennai sports club for the year ended 31-12-1999					
Particulars		Rs.	Particulars	Rs.			
Balance on 1-1-99		6000	Subscriptions				
Entrance fees		11,000	1998	4,000			
		Rent paid		1999	3,38000		
				2000	6,000		
		Stationery Purchased	61,360	Interest paid	30,000		
		Billiards table Purchased	78,000	Donations	10,000		
		Wages paid	1,06,600	Special subscription			
		Repairs & renewals	16,120	for annual day party	69,000		
5	15.a.	On 02-1-1992 Gopal opened an account with Canara Bank depositing Rs.5000. His further deposits were : 20 th Jan.Rs.2,500; 20 th March Rs.3,000; 20 th May Rs.3,500; His withdrawals were: Rs.6,000 on 20 th February; Rs.5,000 on 20 th April and Rs.2,500 on 20 th June. Prepare the account current to be rendered by the bank for the period 30 th June 1992 charging interest at 5% p.a. on customer's debit balance and 2% p.a. on customer's credit balance.				K4	CO5
		(OR)					
	15.b.	R owes S the following sums of money due from him on the date stated. Rs. 300 due on March 9,1993 Rs.1000 due on April 2,1993 Rs.4,000 due on April 30,1993 Rs.100 due on June 1,1993 He wants to make the complete payment on 30-6-1993. Calculate interest at 5%p.a. with the help of Average due date 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	<p>From the following Trial Balance extracted from the book of Kamalnath. Prepare Trading and Profit & Loss A/c and Balance Sheet for the year ended 31-12-1996</p> <table><tr><th>Debit</th><th>Rs.</th><th>Credit</th><th>Rs.</th></tr><tr><td>Cash at bank</td><td>2,610</td><td>Creditors</td><td>4,700</td></tr><tr><td>Book Debts</td><td>11,070</td><td>Discounts</td><td></td></tr><tr><td>Salaries</td><td>4,950</td><td>Creditors for expenses</td><td>150</td></tr><tr><td>Carriage Inward</td><td>1,450</td><td>Return outwards</td><td>400</td></tr><tr><td>Carriage Outward</td><td>1,590</td><td>Sales</td><td>2,520</td></tr><tr><td>Bad Debts</td><td>1,310</td><td>Capital</td><td>80,410</td></tr><tr><td>Office expenses</td><td>5,100</td><td></td><td>40,000</td></tr><tr><td>Purchases</td><td>67,350</td><td></td><td></td></tr><tr><td>Return inward</td><td>1,590</td><td></td><td></td></tr><tr><td>Furniture & fixtures</td><td>1,500</td><td></td><td></td></tr><tr><td>Stock</td><td>14,360</td><td></td><td></td></tr><tr><td>Insurance</td><td>3,300</td><td></td><td></td></tr><tr><td>Depreciation on property</td><td>1,200</td><td></td><td></td></tr><tr><td>Freehold property</td><td>10,800</td><td></td><td></td></tr><tr><td></td><td>1,28,180</td><td></td><td>1,28,180</td></tr></table> <p>Adjustments: i) Make provision for doubtful debts at 5% ii) Calculate discount on creditors @2% iii) Office expenses include stationary purchased Rs.800 iv) Carriage inward includes carriage paid on purchase of furniture Rs.50 v) Outstanding salary Rs.150 vi) Prepaid Insurance Rs.300 vii) Stock on hand Rs.10,700(including stationery stock Rs.200)</p>	Debit	Rs.	Credit	Rs.	Cash at bank	2,610	Creditors	4,700	Book Debts	11,070	Discounts		Salaries	4,950	Creditors for expenses	150	Carriage Inward	1,450	Return outwards	400	Carriage Outward	1,590	Sales	2,520	Bad Debts	1,310	Capital	80,410	Office expenses	5,100		40,000	Purchases	67,350			Return inward	1,590			Furniture & fixtures	1,500			Stock	14,360			Insurance	3,300			Depreciation on property	1,200			Freehold property	10,800				1,28,180		1,28,180	K4	CO1
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2	17	<p>Balan of Bangalore consigned 190 bags of sugar to Raghu of Chennai, invoicing goods at Rs.180 per bag. Balan paid Rs.1200 as cartage and other expenses. The consignor drew a bill of exchange for Rs.12,000 which was later discounted at 11,800. The consignee rendered an account sales showing the following details:</p> <table><tr><td>100 bags sold at Rs. 240 each on credit</td><td>90 bag sold at Rs.230 each for cash</td></tr><tr><td>Freight & Carriage Rs.2,000</td><td>Transit Insurance Rs.600</td></tr><tr><td>Storage & Insurance Rs.1000</td><td>Commission at 5%</td></tr></table> <p>The consignee sent a sight draft for the amount due. You are required to prepare ledger accounts in the books of both the parties assuming that the consignee incurred a bad debts of Rs.400.</p>	100 bags sold at Rs. 240 each on credit	90 bag sold at Rs.230 each for cash	Freight & Carriage Rs.2,000	Transit Insurance Rs.600	Storage & Insurance Rs.1000	Commission at 5%	K3	CO2																																																										
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3	18	<p>Gani and Bhali jointly underwrite and place on the market 1,00,000 shares of Calcutta Machineries Ltd. Of Rs.10 each. It was agreed with the company that they would be allotted 4,000 hares a fully-paid towards their remuneration. Their profit sharing ratio is 2:1. Applications were received from the public only for 90,000 shares. Gani paid Rs.8000 for postage and advertisement in additions to 70% of the amount required to take up the short subscriptions. Bali financed the balance amount. These are accounted for through the Joint Bank Account. All the shares including those allotted for remuneration were sold. Gani sold 6,000 shares for Rs.70,000 and Bali sold the balance shares for Rs.96,000. Bali incurred expenses Rs.4,000. Sales proceeds were retained individually. Show necessary accounts in the books of Co- ventures. Which were separately started for the purpose. The inter se account was settled through the Joint Bank Account.</p>	K4	CO3																																																																

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4	19	The Calcutta sports club gives you the following Receipts and Payments A/c for the year ended ended 31 st December 1988.				K4	CO4																																																				
		<table><tr><th>Receipts</th><th>Rs.</th><th>Payments</th><th>Rs.</th></tr><tr><td>To cash in hand</td><td>150</td><td>To Groundmen's fees</td><td>1,500</td></tr><tr><td>To cash at bank</td><td>2,100</td><td>By Mowing machine</td><td>1,100</td></tr><tr><td>To subscriptions</td><td></td><td>By Rent</td><td>500</td></tr><tr><td>To Tournament fund</td><td>5,800</td><td>By Salaries to coaches</td><td>3,600</td></tr><tr><td>To life membership</td><td>1,500</td><td>By Tournament expenses</td><td>900</td></tr><tr><td>To entrance fee</td><td></td><td>By office expenses,</td><td>2,400</td></tr><tr><td>To donation for pavilion</td><td>2,000</td><td>Postage</td><td></td></tr><tr><td>To sale of grass</td><td>200</td><td>By sports equipment purchased</td><td>1,200</td></tr><tr><td></td><td>3,000</td><td>By cash in hand</td><td>350</td></tr><tr><td></td><td>100</td><td>By cash at bank</td><td>3,300</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td>14,850</td><td></td><td>14,850</td></tr></table>						Receipts	Rs.	Payments	Rs.	To cash in hand	150	To Groundmen's fees	1,500	To cash at bank	2,100	By Mowing machine	1,100	To subscriptions		By Rent	500	To Tournament fund	5,800	By Salaries to coaches	3,600	To life membership	1,500	By Tournament expenses	900	To entrance fee		By office expenses,	2,400	To donation for pavilion	2,000	Postage		To sale of grass	200	By sports equipment purchased	1,200		3,000	By cash in hand	350		100	By cash at bank	3,300						14,850		14,850
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i) Subscriptions due on 31-12-1987 and on 31-12-1988 were Rs.900 and Rs.800 respectively. Subscriptions received also include subscription for 1999, Rs.200.																																																											
ii) Sports equipment on hand on 31 st Dec 1987 was Rs.1,100. The value placed on the equipment on hand 31 st Dec 1988 was Rs.1,300.																																																											
iii) The mowing machine was purchased on 1-7-1988 and its to be depreciated at 20% per annum.																																																											
iv) Office expenses include Rs.300. 1987 Rs.400 are still due for payments.																																																											
v) Tournament receipts and expenses are to be separated from general incomes and expenses.																																																											
Prepare Income and Expenditure A/c for the year 1988.																																																											
5	20	Balaji had the following transactions with Ganesan.				K3	CO5																																																				
		<table><tr><th>1995</th><th>Particulars</th><th>Rs.</th></tr><tr><td>Jan 20</td><td>Sold goods to Ganesan</td><td>400</td></tr><tr><td>Mar 2</td><td>Purchased goods from Ganesan</td><td>250</td></tr><tr><td>Mar 3</td><td>Accepted Ganesan draft at 1 month due</td><td>200</td></tr><tr><td>Apr 11</td><td>Cash paid to Ganesan</td><td>400</td></tr><tr><td>Apr 30</td><td>Goods sold to Ganesan due end of may</td><td>100</td></tr><tr><td>May 11</td><td>Bought goods from Ganesan</td><td>300</td></tr><tr><td>June 11</td><td>Balaji drew a bill on Ganesan this day. Payable two months after date, and this was duly accepted by Ganesan</td><td>300</td></tr></table>						1995	Particulars	Rs.	Jan 20	Sold goods to Ganesan	400	Mar 2	Purchased goods from Ganesan	250	Mar 3	Accepted Ganesan draft at 1 month due	200	Apr 11	Cash paid to Ganesan	400	Apr 30	Goods sold to Ganesan due end of may	100	May 11	Bought goods from Ganesan	300	June 11	Balaji drew a bill on Ganesan this day. Payable two months after date, and this was duly accepted by Ganesan	300																												
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Prepare an Account Current to be rendered by Balaji to Ganesan as at 30 th June, bringing interest into account at 20% p.a.																																																											

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END