

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION MAY 2025
(First Semester)
Common to Branches - **COMMERCE/ COMMERCE (FT)**
FINANCIAL ACCOUNTING – I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 x 1 = 10)

1. A balance sheet of a company includes:
(a) Assets and Liabilities
(b) Assets, Liabilities and equity of stockholders
(c) Accounts, Assets and Liabilities
(d) Transaction details, accounts, assets and liabilities
2. Depreciation is apportioned on the basis of
(a) Value of machinery (b) Running hours of machinery
(c) Horse power of machinery (d) None of these
3. When the drawee signs the bill, it is considered as
(a) Accepted (b) Retired (c) Renewed (d) Endorsed
4. 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 that holiday (d) None of these
5. Commission provided by the consignor to the consignee to cover bad debt is known as
(a) Ordinary commission (b) Del credere Commission
(c) Over-riding commission (d) Special commission.
6. Recurring expenses are incurred by
(a) Consignor (b) Consignee (c) Both (a) and (b) (d) None of these
7. Under debtors system branch account is a
(a) Real a/c (b) Personal A/c (c) Nominal A/c (d) None of these
8. When goods are sent to branch account which account should be credited
(a) Branch A/c (b) Cash A/c
(c) Goods sent to branch A/c (d) None of the above
9. In the books of Hire Purchaser, depreciation is charged on
(a) HP Price (b) Cash Price
(c) Cash Price or HP Price whichever is higher (d) None of the above
10. Which account is debited, if cash received for an installment in Hire Purchase System?
(a) Cash A/c (b) Debtors A/c (c) Creditors A/c (d) None of the above

SECTION - B (35 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks

(5 x 7 = 35)

- 11 (a) From the following particulars, prepare a Balance Sheet as on 31st March, 2014.

| | Rs. |
|--------------------------|--------|
| Capital | 50,000 |
| Business Premises | 55,000 |
| Furniture | 2,500 |
| Bills Receivable | 3,500 |
| Sundry Debtors | 20,000 |
| Sundry Creditors | 15800 |
| Packing Machinery | 4500 |
| Loan to Smith | 5000 |
| Investments | 3000 |
| Cash in hand | 200 |
| Cash at Bank | 3500 |
| Proprietor's withdrawals | 3000 |
| Net profit | 38,900 |
| Closing Stock | 7,000 |

(OR)

Cont...

- (b) A company purchased a plant for Rs.10,000. It is expected that its useful life will be 3 years and salvage value Rs.1,000. You are required to illustrate the rate of depreciation and amount of depreciation to be provided in the first year as per written down value method.

- 12 (a) A partner has withdrawn the following sums of money during the half year ending 30.6.2000.

| | | | |
|--------|--------|----------|--------|
| Jan 15 | Rs.300 | April 20 | Rs.400 |
| Feb 18 | Rs.250 | May 16 | Rs.300 |
| Mar 10 | Rs.150 | June 18 | Rs.500 |
| Mar 26 | Rs.200 | | |

Interest is to be charged at 8% p.a. Find out the average due date and calculate the amount of interest to be debited to the partner.

(OR)

- (b) On 1.5.2000 Mohan gave his acceptance for three months bill of Rs.6,000 drawn by of Murali. Murali sent the bill to bank for collecting the amount on maturity. After maturity Murali received intimation from the bank that the bill was duly honoured by Mohan and bank charged Rs.20 for collection. Give the entries in the books of Murali and Mohan.

- 13 (a) Balan consigned 100 packets of cosmetics each costing Rs.300 to his agent at Mumbai. He paid Rs.500 towards freight and insurance. 15 packets were destroyed by fire on the way. Consignee took delivery of the remaining and spent Rs.700 as godown rent, Rs.1,000 import duty and Rs.300 as carriage outwards. Calculate the value of abnormal loss.

(OR)

- (b) Explain about Del Credere Commission in Consignment.

- 14 (a) New Delhi Company has a branch at Chennai. Write up branch account in the books of head office from the following particulars.

| Particulars | Amt (Rs.) |
|--------------------------|-----------|
| Stock on 1.1.2001 | 10,000 |
| Goods sent to branch | 50,000 |
| Expenses of branch | 3,000 |
| Petty expenses of branch | 1,000 |
| Goods sold by the branch | 1,00,000 |
| Stock on 31.12.2001 | 12,000 |

(OR)

- (b) A Madras head office has a branch at Salem to which goods are invoiced at cost plus 20%. From the following particulars, prepare Branch A/c in the head office books:

| Particulars | Amt (Rs.) |
|-----------------------------------|-----------|
| Goods sent to branch | 2,11,872 |
| Total Sales | 2,06,400 |
| Cash Sales | 1,10,400 |
| Cash received from branch debtors | 88,000 |
| Branch debtors on 1.1.96 | 24,000 |
| Branch Stock on 1.1.96 | 7,680 |
| Branch Stock on 31.12.96 | 13,440 |

- 15 (a) On 1.1.86, X purchased machinery on hire purchase system. The payment is to be made Rs.4,000 and Rs.4,000 annually for three years. The cash price of the machinery is Rs.14,900 and the rate of interest is 5%. Illustrate the interest in each year's instalment. (K6) (CO5)

(OR)

- (b) Dramatize between Hire Purchase system and Installment System. (K6) (CO5)

Cont...

SECTION -C (30 Marks)Answer any **Three** questions**ALL** questions carry **EQUAL** Marks (3 x 10 = 30)

16. The following are the ledger balances extracted from the books of W.

| Particulars | Amount | Particulars | Amount |
|-------------------|----------|------------------------------|----------|
| W Capital | 5,00,00 | Sales | 3,01,000 |
| Bank O/D | 8400 | Returns Onwards | 5,000 |
| Furniture | 5200 | Discount (us) | 800 |
| Business Premises | 40,000 | Taxes and Insurance | 4,000 |
| Creditors | 26,600 | General Expenses | 8,000 |
| Opening Stock | 44,400 | Salaries | 18,000 |
| Debtors | 36,000 | Commission Allowed | 4,400 |
| Rent from tenants | 2,000 | Carriage on purchases | 3600 |
| Purchases | 2,20,000 | Provision for doubtful debts | 1000 |
| | | Bad debts written off | 1600 |

Adjustments:

- (i) Stock on hand on 31.12.95 was estimated as Rs 40,120.
(ii) Write off depreciation on business premises Rs 600 and furniture Rs.520.
(iii) Make a provision of 5% on debtors for bad s doubtful debts.
(iv) Allow interest on capital at 5% and carry forward Rs1,400 for unexpired insurance.
17. Differentiate between a Bill of Exchange and Promissory Note.
18. John of Delhi consigned 300 tins of coconut oil to Narang of Chandigarh, invoiced at Rs.200 per tin. John paid Rs.2000 as carriage and other expenses. The consignor drew a bill of exchange for Rs.16,000 which was later discounted at Rs.15,700. The consignee rendered an account sales showing the following details:
280 tins sold at Rs.250 per tin
20 tins sold at Rs.260 per tin
Storage and Selling expenses Rs.5,000
Clearing and Cartage Rs.1,600
Commission at 6% on sales.
The consignee sent a sight draft for the balance.
Show the journal entries and ledger accounts in the books of consignor.
19. A branch sent the following Trial Balance to its H.O.

| | Rs. | Rs. |
|--------------------------------|-----------------|-----------------|
| Head office Account | - | 57,840 |
| Sundry Creditors | - | 14,000 |
| Sales | - | 2,20,000 |
| Balance at Bank | 9,000 | - |
| Cash in hand | 140 | - |
| Sundry Debtors | 54,000 | - |
| Purchases | 1,60,000 | - |
| Rent and Rates | 4,000 | - |
| General Expenses | 7,000 | - |
| Salaries | 12,000 | - |
| Bad Debts | 700 | - |
| Fixtures and Fittings | 2,400 | - |
| Machinery | 4,600 | - |
| Stock, 1 st January | 38,000 | - |
| | <u>2,91,840</u> | <u>2,91,840</u> |

The proportion of head office expenses to be charged to the branch is RS.4,500. The salaries include a sum of Rs.2,600 paid to branch manager who is further entitled to 15% commission on the net profit of the branch before charging such commission.
The branch stock on 31st December was Rs.22,000. Prepare the branch Trading and Profit & Loss A/c and balance sheet allowing 10% depreciation on the fixed assets.

20. Mr.P purchased 4 cars for rs.14000 each on 1.1.2012 under hire Purchase system. The hire purchase price for all the 4 cars was Rs.60000 to be paid as Rs.15000 down payment and 3 equal annual Installments of Rs.15000 each at the end the year. Interest is charged at 5% p.a. The buyer depreciates the car at 10%p.a. on Straight line method. Prepare Ledger accounts in the books of P and Hire vendor.

