

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BBA DEGREE EXAMINATION DECEMBER 2022  
(First Semester)

Branch – BUSINESS ADMINISTRATION

**FINANCIAL ACCOUNTING / ACCOUNTING FOR MANAGERS**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- Suppliers personal a/c are seen in the \_\_\_\_\_.  
(i) Sales Ledger (ii) Nominal ledger  
(iii) Purchases Ledger (iv) General Ledger
- Sales invoices are first entered in \_\_\_\_\_.  
(i) The Cash Book (ii) The Purchases Journal  
(iii) The Sales Journal (iv) The Sales Account
- The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as \_\_\_\_\_.  
(i) Current assets (ii) Fixed assets  
(iii) Intangible assets (iv) Investments
- What is the principal objective of Depreciation?  
(i) Show last year's profit (ii) Show records to Income Tax Department  
(iii) To get a tax rebate (iv) To calculate net profit
- The receipt and payment account of a Non-Profit Organization is a \_\_\_\_\_.  
(i) Nominal Account (ii) Real Account  
(iii) Income Statement (iv) Financial Statements

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. (a) Explain the users of accounting information.

Or

- (b) Journalize the following transaction in the books of XYL & CO.:

2017	
Oct -1	Commenced business with Rs. 50,000
3	Purchased goods for cash Rs. 10,000 at 5% trade discount
4	Paid Carriage Rs. 50.
8	Purchased Machinery for Rs. 20,000
10	Sold goods to Mathan on account for Rs. 15,000

7. (a) Enter the following in double column cash book:

2019		Rs.
Jan. 1	Cash balance	13,750
2	Received from Balan	2,500
	Discount allowed to him	125
3	Purchased goods for cash	2,150
4	Paid into bank	1,100
5	Withdraw from bank for personal use	1,500
7	Paid office rent by cheque	800

Or

Cont...

(b) Rectify the following errors:

- (a) Purchase book is over cast by Rs. 300 (for the month of March)
- (b) Sales book has been under cast by Rs. 200
- (c) Purchase returns book has been over cast by Rs. 75
- (d) Sales return book has been under cast by Rs. 50

8. (a) Prepare Trading Account of Archana for the year ending 31/12/2016 from the following information:

Opening Stock	80,000
Purchase	8,60,000
Freight inward	52,000
Wages	24,000
Sales	14,40,000
Purchase Returns	10,000
Sales Returns	3,16,000
Closing Stock	30,000
Import duty	30,000

Or

(b) From the following balances extracted at the close of the year ended 31<sup>st</sup> December 2016, Prepare Profit and Loss Account of Mr. Kumar as at that date:

Gross Profit	55,000	Repairs	500
Carriage on Sales	500	Telephone Expenses	520
Office Re	500	Interest (Dr.)	480
General Expenses	900	Fire Insurance Premium	900
Discount to Customers	360	Bad Debts	2,100
Interest from Bank	200	Apprentice Premium (Cr.)	1,500
Travelling Expenses	700	Printing and Stationery	2,500
Salaries	900	Trade Expenses	300
Commission	300		

9. (a) A company purchased plant for Rs. 50,000. The useful life of the plant is 10 years and residual value is Rs. 10,000. Find out the rate of depreciation under the straight line method.

Or

(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 determine the rate of depreciation and amount of depreciation to be provided in the first year as per written down value method.

10. (a) Prepare receipts and payments A/c of a club for the year ended 31<sup>st</sup> December 2019 from the following particulars:

	Rs.		Rs.
Opening balance of cash	40,000	Rent paid	1,200
Receipts of entrance fees	8,000	Payment for purchaser of cricket balls	500
Subscriptions received for 1999	16,000	Payment of purchase of cricket bats	1,600
Previous year's subscription received	1,600	Payment for stationery fin cash	100
Paid salaries	2,000		
Paid for Miscellaneous Expenses	200		

Or

(b) On 1<sup>st</sup> January, 2012, Himanshu buys goods from Sanjay priced at Rs. 5,000 subject to a deduction of 20% trade discount. Himanshu accepts a bill for the amount payable 3 months after January 1. The bill is duly met on the maturity date. Pass journal entries in the books of drawer and drawee.

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 6 = 30)

11. (a) Discuss about the different types of accounting concepts.

Or

(b) Prepare a Trial Balance from the following details:

Capital	Rs.16800	Opening stock	Rs.21000
Drawings	Rs.5000	Purchases	Rs.36000
Sales	Rs.72000	Purchase Returns	Rs.2000
Sales Returns	Rs.3000	Debtors	Rs.4500
Creditors	Rs.2500	Furniture	Rs.900
Bills Receivable	Rs.2300	Bills Payable	Rs.4200
Wages	Rs.1200	Advertisement	Rs.600
Discount Allowed	Rs.100	Commission received	Rs.600
Machinery	Rs.20000	Cash	Rs.3500

12. (a) From the following transaction, prepare Three – Column Cash Book for the month November 2012.

2012 Nov	1	Paid to Bank Rs 5,000
2012 Nov	2	Purchased Goods Rs 2,000
2012 Nov	7	Sold Goods for Cash Rs 1,700
2012 Nov	9	Purchased Goods Rs 1,500
2012 Nov	10	Sold Goods to Raju on Credits Rs 500
2012 Nov	13	Purchased Goods from Gobi for Rs 1,000 on credit
2012 Nov	14	Paid Electricity Charges Rs 45
2012 Nov	15	Received from Raju Rs 490 in full settlement
2012 Nov	16	Paid Office rent Rs 150
2012 Nov	17	Withdrawn from bank for petty payments Rs 50
2012 Nov	18	Paid to Gopi Rs 975 in full settlement
2012 Nov	19	Sold Goods for Rs 750
2012 Nov	20	Sold Goods for Chatterjee on credit Rs 450
2012 Nov	21	Purchased Goods from Gopal for rs 1,100 for credit
2012 Nov	24	Received cash from Chatterjee Rs 440 Full settlement
2012 Nov	25	Paid to Gopal on account Rs 600
2012 Nov	26	Paid Salaries Rs 175
2012 Nov	27	With drawn for personal Use Rs 300
2012 Nov	28	Paid to Gopal Rs 485 in full Settlement
2012 Nov	29	Sold Goods for cash Rs 400
2012 Nov	30	Purchased Goods by Cheque Rs 300
2012 Nov	30	Paid Telephone Charges Rs.55

Or

(b) Prepare a bank reconciliation statement from the following data as on 31-12-2015.

		Rs.
(a)	Balance as 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

13. (a) The following balances were extracted from the books of Prasad on 31/3/2018.

Capital	50,000	Creditors	5,000
Drawings	4,000	Bad debts	1,100
General Expenses	5,000	Loan	15,760
Buildings	22,000	Sales	1,30,720
Machinery	18,680	Purchases	94,000
Stock	32,400	Motor Car	4,000
Power	4,480	Reserve Fund (Cr.)	1,800
Taxes & Insurance	2,630	Commission (Cr.)	2,640
Wages	14,400	Car Expenses	3,600
Debtors	12,560	Bills Payable	6,700
Bank O/D	6,600	Cash	160
Charity	210		

Stock on 31<sup>st</sup> March 2018 was valued at Rs. 47,000. Prepare the final Accounts for the year ended 31<sup>st</sup> March 2018.

Or

- (b) From the following balances taken from the Books of Vel & Co, Prepare Trading and Profit and Loss account for the year 30<sup>th</sup> June 2021 and Balance Sheet as on that date.

	Rs		Rs.
Capital	35,000	Returns Outwards	110
Buildings	18,750	Salaries	1,110
Machinery	9,250	Discounts allowed	200
Debtors	7,000	Stock (1-7-2020)	16,500
General Expenses	800	Bills Payable	5,000
Rent Paid	3,710	Sales	63,500
Drawings	650	Purchases	46,850
Electrical Charges	190	Wages	2,500
Carriage inward	850	Cash in hand	1,800
Cash at Bank	3,000	Sundry creditors	10,000
Returns Inward	450		

Closing Stock is valued at Rs.18,210

14. (a) Elucidate the various methods of depreciation with examples.

Or

- (b) A company whose accounting year is the calendar year, purchased on 1-1-13 a machine for Rs.40,000. It purchased further machinery on 1<sup>st</sup> Oct. 2013 for Rs.20,000 and on 1<sup>st</sup> July 2014 for Rs.10,000. On 1-7-2015, 1/4<sup>th</sup> of the machinery installed on 1-1-2013 became obsolete and was sold for Rs.6,800.

Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing Balance method. Depreciation is to be provided at 10% p.a.

15. (a) Mala purchased good for Rs.3,000 from Kala on 1-4-2019. Mala accepted a three months bill for the amount and gave it to Kala the same day. Kala discounted it immediately with Indian Bank at discount of 5% p.a. On due date the bill was honoured by payment. You are required to give entries in the books of all the parties.

Or

- (b) From the following Trial Balance of "The City Club" Hyderabad, Prepare income and expenditure account for the year ended 30<sup>th</sup> June, 2012 and a balance sheet as on the date.

Particulars	Dr.	Cr.
Annual subscriptions		15,000
Entrance Fees (to be capitalized)		5,000
Sale of tickets of Entertainment		3,000
Interest on investments		400
Printing and Stationary	7,200	
Repairs	2,300	
Cost of Entertainments	1,400	
Sale of tickets for annual dinner		1,750
News papers	1,500	
Hire of Hall		3,500
Profit on Land liquors		2,350
Rent and rates	2,250	
Salaries	4,750	
Interest on bank deposits		500
Cost of annual dinner	1,300	
Receipts from Billiards		4,500
Auditors fees	400	
Cash on hand	600	
Cash at bank	4,500	
Sundry creditors		2,800
Investments	9,000	
Library books	6,200	
Furniture	9,500	
Stock of Liquors on 30 <sup>th</sup> June 2012	4,200	
Capital Fund		26,300
Fixed deposit	10,000	
	<b>65,100</b>	<b>65,100</b>

Z-Z-Z

END