

**(First Semester)**

Branch – ECONOMICS

## ACCOUNTANCY - I

**Time: Three Hours**

**Maximum: 75 Marks**

**SECTION-A (10 Marks)**

**Answer ALL questions**

**ALL questions carry EQUAL marks**

(10 × 1 = 10)

<b>Question No.</b>	<b>Question</b>	<b>K Level</b>	<b>CO</b>
1	Name the book in which transactions are initially recorded. a) Ledger                                  b) Journal c) Trial Balance                              d) Financial Statement	K1	CO1
2	Show how the accounting equation is represented as Assets = Liabilities + _____. a) Investment                  b) Capital                  c) Profit                  d) Reserves	K2	CO1
3	Where are goods purchased on credit recorded? a) Purchase Book                                  b) Sales Book c) Cash Book    d) Sales Return Book	K1	CO2
4	Classify the subsidiary book used for recording the return of goods to suppliers. a) Sales Return Book                                  b) Purchase Book c) Sales Book    d) Purchase Return Book	K2	CO2
5	What is the account opened to record the difference, when the total of the trial balance does not reconcile? a) Trading Account.                                  b) Suspense Account. c) Profit & Loss Account.                              d) None of these	K1	CO3
6	Classify the type of error when the purchase of a computer is recorded under office expenditure. a) Commission.                                  b) Omission. c) Principle.    d) Compensation	K2	CO3
7	Which account is prepared to determine the Gross Profit or Gross Loss? a) Profit and Loss Account                                  b) Balance Sheet c) Trading Account    d) Cash Book	K1	CO4
8	Choose the correct statement in which closing stock is shown. a) The Trading Account on the credit side only b) The Profit and Loss Account on the credit side only c) The Balance Sheet on the asset side only d) The Trading Account (credit side) and the Balance Sheet (asset side)	K2	CO4
9	What are the extra three days allowed beyond the due date called? a) Tenor                  b) Endorsement                  c) Days of grace                  d) Maturity	K1	CO5
10	Show who is responsible for writing and drawing the bill of exchange. a) Drawee                  b) Acceptor                  c) Payee                  d) Drawer	K2	CO5

**SECTION - B (35 Marks)**

**Answer ALL questions**

**ALL questions carry EQUAL Marks**

**(5 × 7 = 35)**

Question No.	Question	K Level	CO
11.a.	<p>Show the journal entries for the following transactions and prepare a trial balance for the year 2020.</p> <p>On January 1, 2020, Business started with Cash Rs. 65000, Furniture Rs. 20,000, and Building Rs. 100,000.</p> <p>On January 2, goods purchased from Asif on credit Rs. 15,000.</p> <p>On January 2, goods purchased on cash Rs. 30,000.</p> <p>On January 3, goods sold to customer Rs. 22,000 and cash received.</p> <p>On January 5, goods worth Rs. 14,000 sold to Shahid.</p> <p>On January 8, typewriter worth Rs. 8,000 bought on cash.</p> <p>On January 10, office iron safe purchased on cash Rs. 4,000.</p>	K2	CO1
	(OR)		
11.b.	Outline the main advantages and limitations of accounting in a business context.	Cont	

**Cont...**

12.a.	Solve a simple cash book from the following transaction of Mr. Sanjay.			K3	CO2			
	Date	Particulars	Rs					
	1.4.24	Commenced business with Cash	24000					
	5.4.24	Bought goods for Cash	6000					
	10.4.24	Goods Sold for Cash	11200					
	13.4.24	Paid into Bank	2500					
	14.4.24	Sold goods to Ganesan on Credit	9000					
	15.4.24	Bought goods from Mohan on Credit	13600					
	20.4.24	Purchased furniture	9600					
	21.4.24	Purchased Stationery	160					
	23.4.24	Received Cheque from Ganesan	9000					
	25.4.24	Paid Mohan	13600					
	26.4.24	Received Commission	740					
	27.4.24	Paid Telephone Charges	300					
30.4.24	Drawn from Bank	380						
(OR)								
12.b.	Construct the following data in Purchase returns book and sales returns Book.			K3	CO3			
	Date	Particulars	Rs					
	1.08.22	Goods bought returned to Senthil	205					
	3.08.22	Received goods returned by Naren	300					
	5.08.22	Goods returned to Karnan	500					
	7.08.22	Sales returns of by Madhu	1260					
	15.08.22	Returned defective goods to Rajan	1280					
	18.08.22	Goods returned by Murali	1120					
	23.08.22	Outward returns to Kannan	275					
	29.08.22	Inward returns by Swami	750					
	30.08.22	Returned goods to Sankar	890					
	31.08.22	Selvan returned goods to us	1330					
	Build a pass book statement using the following particulars and determine the closing balance					K3	CO3	
	a. Bank overdraft as per cash book on 30th April 2023 Rs.2000							
b. Cheques issued but not presented for payment Rs. 1,350.								
c. Cheques deposited but not yet collected by the banker s.560.								
d. Bank charges Rs. 80 made by the bank not yet entered in the cash book.								
e. Interest on investment collected by the banker and credited in the pass book amounted to Rs. 905.								
(OR)								
13.b.	Identify the errors in the accounts and summarize the journal entries required to rectify them. Assume that there exists a suspense account:			K3	CO3			
	1. The total of sales book was under cast by Rs. 2,000.							
	2. The purchase of Machinery Rs. 3,000 was entered in the purchases book							
	3. A sale of Rs. 45 to Selvendran was posted in his account as Rs. 54.							
	4. The total of purchase return book was over cast by Rs. 200.							
	5. The total of sales book Rs.1,122 was wrongly posted in the ledger as Rs. 1,222.							
14.a.	Analyze the financial transactions of Kumaran and prepare the Trading Account for the year ending 31.12.2023.			K4	CO4			
	Particulars	Rs	Particulars			Rs		
	Opening stock	80000	Purchases			860000		
	Purchase returns	10000	Sales return			316000		
	Freight inwards	52000	wages			24000		
	Sales	1440000	Import Duty			30000		
	Adjustments							
	Closing stock	100000						
	Wages Outstanding	12000						
	Freight inwards paid in advance	5000						
	(OR)							
	14.b.	Examine the given financial details and prepare Profit and loss Account of M/s Sahil Bros for the Year ending on 31.03.2012.						
		Particulars	Rs					
		Gross Profit	97000					
Discount allowed to customers		2000						
Printing and stationery		2000						
Office rent		5000						
Repair		2400						
Insurance Premium		5100						
Telephone Charges		1000						
Discount received from Creditors		3000						
Interest earned during the year		5000						

15.a.	On 1.4.2019 Balu draws a bill on Manoj for Rs.1600 for goods sold at 90 days after sight. Manoj accepts the bill on 5.4.2019. Balu, however endorsed the bill to Sohan in settlement of a debt of Rs.1700. On maturity the bill was duly honored by Manoj. Journalize the entries in the books of Drawer and Drawee.	K4	CO5
(OR)			
15.b.	Mala Purchased goods for Rs.3000 from kala on 1.4.25. Mala accepted a three months bill for the amount and gave it to kala on the same day. Kala discounted the bill immediately with Indian bank at a discount of 5%p.a. On due date the bill was dishonored by payment. Examine and prepare journal entries in the books of Drawer and drawee.		

**SECTION -C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Question No.	Question	K Level	CO																																																																								
16	<p>Analyze the following balances extracted from the books of a trader and prepare Trial Balance as on 31st March, 2024.</p> <table><tr><th>Particulars</th><th>Amount in Rs</th></tr><tr><td>Cash in hand</td><td>4200</td></tr><tr><td>Cash at Bank</td><td>16800</td></tr><tr><td>Bills Receivable</td><td>18000</td></tr><tr><td>Bills payable</td><td>16000</td></tr><tr><td>Sundry debtors</td><td>24600</td></tr><tr><td>Sundry creditors</td><td>30000</td></tr><tr><td>Outstanding salaries</td><td>2400</td></tr><tr><td>Capital</td><td>40000</td></tr><tr><td>Bank Loan</td><td>8000</td></tr><tr><td>Unearned Revenue</td><td>2000</td></tr><tr><td>Drawings</td><td>18000</td></tr><tr><td>Sales</td><td>105000</td></tr><tr><td>Purchases</td><td>75000</td></tr><tr><td>Carriage Inward</td><td>2700</td></tr><tr><td>Salaries</td><td>12000</td></tr><tr><td>Advertisement</td><td>2400</td></tr><tr><td>Insurance</td><td>1600</td></tr><tr><td>Furniture</td><td>7500</td></tr><tr><td>Stock</td><td>18600</td></tr><tr><td>Office Rent</td><td>2000</td></tr></table>	Particulars	Amount in Rs	Cash in hand	4200	Cash at Bank	16800	Bills Receivable	18000	Bills payable	16000	Sundry debtors	24600	Sundry creditors	30000	Outstanding salaries	2400	Capital	40000	Bank Loan	8000	Unearned Revenue	2000	Drawings	18000	Sales	105000	Purchases	75000	Carriage Inward	2700	Salaries	12000	Advertisement	2400	Insurance	1600	Furniture	7500	Stock	18600	Office Rent	2000	K4	CO1																														
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17	<p>Classify the transactions into cash, bank, and discount categories, and prepare the Three-Column Cash Book for Anand for August 2025.</p> <table><tr><th>Date</th><th>Particulars</th><th>Amount in Rs</th></tr><tr><td>Aug 1 2025</td><td>Cash balance b/d</td><td>20,000</td></tr><tr><td></td><td>Bank balance b/d</td><td>23000</td></tr><tr><td>3</td><td>Rent paid by cheque</td><td>5000</td></tr><tr><td>4</td><td>Cash received on account of Cash sales</td><td>6,000</td></tr><tr><td>6</td><td>Payment for Cash purchases</td><td>2,000</td></tr><tr><td>8</td><td>Deposited into Bank</td><td>8000</td></tr><tr><td>9</td><td>Bought goods by cheque</td><td>3000</td></tr><tr><td>10</td><td>Sold goods to Nathan on credit</td><td>7,120</td></tr><tr><td>12</td><td>Received Cheque from Madan</td><td>2900</td></tr><tr><td>12</td><td>Discount allowed to him</td><td>100</td></tr><tr><td>13</td><td>Withdrew from Bank for office use</td><td>4350</td></tr><tr><td>14</td><td>Purchased furniture by cheque</td><td>1260</td></tr><tr><td>15</td><td>Received Cheque from Nathan in full settlement of his account</td><td>7000</td></tr><tr><td>17</td><td>Withdrew cash for personal use</td><td>1,200</td></tr><tr><td>18</td><td>Swamy paid directly into Bank A/C</td><td></td></tr><tr><td>19</td><td>Parthi settled his account for Rs 1250 by giving cheque</td><td>1,230</td></tr><tr><td>19</td><td>Parthi's Cheque sent to Bank</td><td></td></tr><tr><td>21</td><td>Received currency note from Ravi and gave him change</td><td>1,000</td></tr><tr><td>22</td><td>Received Cheque from Kamal in full settlement of his account 6200</td><td>6000</td></tr><tr><td>22</td><td>Deposited Kamal's cheque</td><td></td></tr><tr><td>25</td><td>Paid into Bank</td><td>9000</td></tr><tr><td>29</td><td>Parthi's Cheque returned dishonoured</td><td></td></tr><tr><td>31</td><td>Paid Salaries</td><td>10000</td></tr></table>	Date	Particulars	Amount in Rs	Aug 1 2025	Cash balance b/d	20,000		Bank balance b/d	23000	3	Rent paid by cheque	5000	4	Cash received on account of Cash sales	6,000	6	Payment for Cash purchases	2,000	8	Deposited into Bank	8000	9	Bought goods by cheque	3000	10	Sold goods to Nathan on credit	7,120	12	Received Cheque from Madan	2900	12	Discount allowed to him	100	13	Withdrew from Bank for office use	4350	14	Purchased furniture by cheque	1260	15	Received Cheque from Nathan in full settlement of his account	7000	17	Withdrew cash for personal use	1,200	18	Swamy paid directly into Bank A/C		19	Parthi settled his account for Rs 1250 by giving cheque	1,230	19	Parthi's Cheque sent to Bank		21	Received currency note from Ravi and gave him change	1,000	22	Received Cheque from Kamal in full settlement of his account 6200	6000	22	Deposited Kamal's cheque		25	Paid into Bank	9000	29	Parthi's Cheque returned dishonoured		31	Paid Salaries	10000	K4	CO2
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18	<p>Compare the bank balance as per the cash book and the bank statement and prepare the Bank Reconciliation Statement of Chand Bibi Ltd as on 31-12-2024.</p> <p>i) Bank balance overdraft as per cash book Rs. 80,000  ii) Check recorded for collection but not sent to the bank Rs. 10,000  iii) Credit side of the cash book cast short Rs. 1,000  iv) Premium on proprietor's Life Insurance Policy (LIP) paid on standing order Rs. 5,000  v) Bank Charges recorded twice in the cash book Rs. 100  vi) Customer's check returned by the bank as dishonoured Rs. 4,000  vii) Bill Receivable collected by the bank directly on the behalf of company Rs. 20,000  viii) Check received entered twice in the cash book Rs. 6,000  ix) Check issued but dishonoured on technical grounds Rs.3,000  x) A check deposited into the bank of worth Rs. 45,000 but Rs. 8,000 check was not collected by bank.</p>	K5	CO3																																																																												
19	<p>The following is the Trial Balance of Dhandapani of Madras as on 31st December 2025.</p> <table border="1"> <thead> <tr> <th>Debit Balances</th><th>Rs</th><th>Credit Balances</th><th>Rs</th></tr> </thead> <tbody> <tr> <td>Opening Stock</td><td>6,200</td><td>Capital</td><td>24,000</td></tr> <tr> <td>Carriage on Sales</td><td>1,600</td><td>Sales</td><td>82,920</td></tr> <tr> <td>Buildings</td><td>34,000</td><td>Bank Loan</td><td>6,000</td></tr> <tr> <td>Repairs</td><td>1,800</td><td>Sundry Creditors</td><td>9,840</td></tr> <tr> <td>Furniture</td><td>2,000</td><td>Return outwards</td><td>840</td></tr> <tr> <td>Sundry Debtors</td><td>12,000</td><td>Interest</td><td>260</td></tr> <tr> <td>Purchases</td><td>42,400</td><td>Dividend</td><td>220</td></tr> <tr> <td>Bad debts</td><td>240</td><td></td><td></td></tr> <tr> <td>Salaries</td><td>4,400</td><td></td><td></td></tr> <tr> <td>Cash in hand</td><td>2,600</td><td></td><td></td></tr> <tr> <td>Rent</td><td>1,200</td><td></td><td></td></tr> <tr> <td>Return inwards</td><td>2,040</td><td></td><td></td></tr> <tr> <td>Miscellaneous Expenses</td><td>1,000</td><td></td><td></td></tr> <tr> <td>Postage</td><td>560</td><td></td><td></td></tr> <tr> <td>Stationery</td><td>520</td><td></td><td></td></tr> <tr> <td>Wages</td><td>10,400</td><td></td><td></td></tr> <tr> <td>Freight on purchases</td><td>1,120</td><td></td><td></td></tr> <tr> <td></td><td>124080</td><td></td><td>124080</td></tr> </tbody> </table> <p>The Value of stock on 31-12-2025 was estimated at Rs.5,960.  Estimate the gross profit, net profit, and financial position of the business after preparing the Trading and Profit &amp; Loss Account and Balance Sheet as on 31st December 2025.</p>	Debit Balances	Rs	Credit Balances	Rs	Opening Stock	6,200	Capital	24,000	Carriage on Sales	1,600	Sales	82,920	Buildings	34,000	Bank Loan	6,000	Repairs	1,800	Sundry Creditors	9,840	Furniture	2,000	Return outwards	840	Sundry Debtors	12,000	Interest	260	Purchases	42,400	Dividend	220	Bad debts	240			Salaries	4,400			Cash in hand	2,600			Rent	1,200			Return inwards	2,040			Miscellaneous Expenses	1,000			Postage	560			Stationery	520			Wages	10,400			Freight on purchases	1,120				124080		124080	K5	CO4
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20	<p>On 1.6.2025, John drew four bills of exchange on Mani for ₹750, ₹1,500, ₹2,000, and ₹3,500 for 1 month, 2 months, 3 months, and 4 months respectively. Mani accepted the bills and returned them to John. John endorsed the first bill to his creditor Samy. He sent the second bill to the bank for collection. He discounted the third bill with the bank at 24% p.a. He retained the fourth bill till the due date. All the bills were duly honoured at maturity.  Estimate the impact of each transaction and prepare suitable journal entries in the books of John (Drawer).</p>	K6	CO5																																																																												