

**PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)**

**BCom(CS) DEGREE EXAMINATION DECEMBER 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	Which of the following is a characteristic of the Single Entry System of accounting? a) Debit and credit are recorded      b) Only debit aspect is recorder c) either one aspect is recorded d) If does not follow the double – entry principle.	K1	CO1
	2	The Statement of Affairs Method is used to ascertain profit in the Single Entry System by: a) Converting single entry records into double-entry form. b) Comparing the opening and closing balances of assets and liabilities. c) Recording all transactions in a ledger. d) Preparing a summary receipts and payments	K2	CO1
2	3	The Provision for Bad Debts is created in order to: a) to show good debts b) to estimate the potential loss from debts that may not be collected. c) Increase the value of the debtors d) Reduce the value of debtors to their realizable value	K1	CO2
	4	Which of the following is not an example of an adjustment in the preparation of final accounts? a) Prepaid expenses      b) Provision for bad debts c) Opening balance of cash      d) Closing Stock	K2	CO2
3	5	Which of the following best defines consignment? a) Sale of goods to a customer b) Transfer of goods to an agent for sale on behalf of the owner c) Exchange of goods between two parties d) Delievery of goods to another person without transferring ownership	K1	CO3
	6	Which of the following correctly distinguishes between a sale and a consignment? a) In a sale, ownership is transferred immediately; in a consignment, ownership remains with the consignor until sold b) In a consignment, risk is transferred to consignee; in a sale, risk remains with seller c) Both involve immediate transfer of ownership d) In a consignment goods are sent for sale; in a sale, goods are sold directly to the buyer.	K2	CO3
4	7	A joint venture is formed mainly for: a) Running a business permanently b) Carrying out a specific project for a short duration c) Reducing competition in the market d) sharing risks and resources between parties for a temporary project	K1	CO4
	8	Overriding commission is generally allowed to the consignee when: a) Goods are damaged in transit b) Consignee bears abnormal loss c) Consignee is expected to sell at or above a fixed price d) Consignee is expected to put extra effort to achieve higher sales.	K2	CO4
5	9	Which of the following is prepared by a non-profit organization to record cash transactions? a) Profit and Loss Account b) Receipts and Payments Account c) Income and Expenditure Account      d) Balance Sheet	K1	CO5
	10	If a non-profit organization receives a donation for building construction, it is treated as: a) Revenue income      b) Capital receipt c) Deferred revenue expenditure d) Specific donation (capitalized in building fund)	K2	CO5

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**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.	Compare Single entry and Double entry System.	K3	CO1
	(OR)			
	11.b.	Suresh started business with Rs.25,000 as capital on 01.01.2024. During the year he withdrew Rs.600 per month. He introduced Rs.4,000 as additional capital. His position of 31.12.2024 was as follows:		
		Cash in hand		
Cash at Bank		2,000	Bills Payable	400
Furniture		500	Stock	20,000
	Debtors	12,100		
		Ascertain the profit or loss.		
2	12.a.	Prepare Trading account with the following information: Opening stock Rs.25,000/- Purchase Rs.2,00,000/- Purchase returns Rs.10,000 Sales Rs.3,50,000/- Sales returns Rs.20,000/- Closing stock Rs.25,000/-	K3	CO2
	(OR)			
	12.b.	Prepare P&L Account from the following ledger balances. Gross profit Rs.20,000, Discount received Rs.500, Commission paid Rs.300, salaries Rs.2000, Rent Rs.3,000, Office Expenses Rs.1,500 Repairs Rs.2,500		
3	13.a.	From the data furnished, calculate the amount of abnormal loss. The Consignor sent 480 boxes of goods @ Rs.260 per box. Out of that, 20 boxes were lost in transit by fire and the insurance company paid Rs.4,100 for the said loss. Also 10 boxes were stolen from the godown of the consignee and the insurance company admitted a claim for Rs.2,300 for the loss. The consignor paid Rs.4,200 for freight and insurance. The consignee incurred the following: Godown rent and insurance Rs.750; Unloading and carriage Rs.1,980; Sundry expenses Rs.500.	K4	CO3
	(OR)			
	13.b.	Anita of Mumbai sends goods costing ₹1,00,000 on consignment to Beena of Pune. Freight and insurance paid by Anita = ₹5,000. During transit, goods costing ₹10,000 were destroyed (insurance claim admitted for ₹8,000). Beena sold 75% of the remaining goods for ₹90,000 and incurred ₹3,000 in selling expenses. She is entitled to 5% commission on sales. You are required to: Calculate the abnormal loss and show its accounting treatment.		
4	14.a.	A and B enter into a joint venture to sell goods. A purchased goods worth ₹40,000 and paid ₹4,000 as expenses. B purchased goods worth ₹20,000 and paid ₹2,000 as expenses. The total sales amounted to ₹80,000. The sales proceeds were taken by A. Profits are shared equally. Prepare Memorandum Joint Venture Account; Settlement between A and B.	K4	CO4
	(OR)			
	14.b.	X and Y entered into a joint venture sharing profits and losses in the ratio of 3:2. X supplied goods worth ₹30,000 and paid expenses ₹5,000. Y supplied goods worth ₹20,000 and paid expenses ₹2,000. The goods were sold for ₹70,000, and the amount was received by Y. Prepare a Joint Venture Account in the books of Y.		
5	15.a.	From the following details, ascertain the amount of subscriptions to be credited to income and expenditure account for the year 2020. Subscription received in 2020 – Rs.24,000 which include Rs.2,000 for 2019 and Rs.4,000 for 2021. Subscriptions due but not received at the end of the year 2020 were Rs.10,000. Subscription received in 2019 in advance for 2020 were Rs.6,000.	K4	CO5
	(OR)			
	15.b.	Compute the expenditure to be shown in Income and expenditure account from the following Sports material purchased for cash Rs.15,000, Opening Creditors Rs.3000, Closing Creditors Rs.4000, Opening Stock Rs.6000, Closing stock Rs.7000, Cash paid Rs.17000,		

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**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>Mr.Ramesh keeps his books of accounts under Single Entry System. His financial position at the beginning and at the end of the year is as follows:</p> <table><thead><tr><th></th><th>Opening balance</th><th>Closing balance</th></tr></thead><tbody><tr><td>Cash</td><td>10</td><td>50</td></tr><tr><td>Bank Balance</td><td>560(cr.)</td><td>350(dr.)</td></tr><tr><td>Debtors</td><td>4500</td><td>3600</td></tr><tr><td>Stock</td><td>2700</td><td>2900</td></tr><tr><td>Plant</td><td>4000</td><td>4000</td></tr><tr><td>Furniture</td><td>1000</td><td>1000</td></tr><tr><td>Drawings</td><td></td><td>2000</td></tr></tbody></table> <p>During the year he introduced additional capital of Rs.4,200. A provision of 5% on Debtors are necessary. Depreciate plant by 10% and furniture by 5%. Interest on capital is allowed at 5%. From the above particulars, ascertain the profit or loss.</p>		Opening balance	Closing balance	Cash	10	50	Bank Balance	560(cr.)	350(dr.)	Debtors	4500	3600	Stock	2700	2900	Plant	4000	4000	Furniture	1000	1000	Drawings		2000	K4	CO1																
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2	17	<p>Prepare final accounts with the following ledger balances</p> <table><tbody><tr><td>Drawings</td><td>6,300</td><td>Capital</td><td>1,50,000</td></tr><tr><td>Cash at bank</td><td>13,870</td><td>Discount received</td><td>2,980</td></tr><tr><td>Bills receivable</td><td>1,860</td><td>Loans</td><td>15,000</td></tr><tr><td>Land and Building</td><td>42,580</td><td>Plant and Machinery</td><td>31,640</td></tr><tr><td>Furniture</td><td>5,130</td><td>Sales</td><td>2,79,630</td></tr><tr><td>Discount allowed</td><td>3,960</td><td>Creditors</td><td>18,670</td></tr><tr><td>Salaries</td><td>6,520</td><td>Insurance</td><td>750</td></tr><tr><td>Purchases</td><td>2,02,800</td><td>Bad debts</td><td>1,250</td></tr><tr><td>Stock (opening)</td><td>60,220</td><td>Book debts</td><td>78,090</td></tr><tr><td>Rent and Taxes</td><td>7,680</td><td>General expenses</td><td>3,630</td></tr></tbody></table> <p>Adjustments: 1. Closing stock Rs. 70,000</p>	Drawings	6,300	Capital	1,50,000	Cash at bank	13,870	Discount received	2,980	Bills receivable	1,860	Loans	15,000	Land and Building	42,580	Plant and Machinery	31,640	Furniture	5,130	Sales	2,79,630	Discount allowed	3,960	Creditors	18,670	Salaries	6,520	Insurance	750	Purchases	2,02,800	Bad debts	1,250	Stock (opening)	60,220	Book debts	78,090	Rent and Taxes	7,680	General expenses	3,630	K4	CO2
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3	18	<p>Rohit of Kolkata sends goods worth ₹2,00,000 on consignment to Soham of Hyderabad. He incurred ₹10,000 towards freight and insurance. During transit, goods costing ₹20,000 were destroyed. Insurance company admitted a claim of ₹18,000.</p> <p>Soham sold 70% of the remaining goods for ₹1,60,000 and incurred ₹6,000 for storage and ₹4,000 for selling. He is entitled to a commission of 6% on sales.</p> <p>You are required to:</p> <ol style="list-style-type: none"><li>Calculate the abnormal loss and its accounting.</li><li>Show valuation of closing stock.</li></ol> <p>Prepare the Consignment Account and Soham's Account</p>	K4	CO3																																								
4	19	<p>P and Q entered into a joint venture to undertake a contract. They agreed to share profits and losses equally.</p> <ul style="list-style-type: none"><li>P purchased materials worth ₹50,000 and incurred wages ₹10,000.</li><li>Q paid machinery hire charges ₹5,000 and other expenses ₹15,000.</li><li>They opened a Joint Bank Account: P contributed ₹30,000, Q contributed ₹20,000.</li><li>Contract price was ₹1,20,000, which was received in Joint Bank Account.</li><li>Assets left at end: Materials worth ₹5,000 taken over by P.</li></ul> <p>Prepare:</p> <ol style="list-style-type: none"><li>Joint Venture Account</li><li>Joint Bank Account</li><li>Personal Accounts of P and Q</li></ol>	K4	CO4																																								
5	20	<p>Compare Income and expenditure account and receipts and payment accounts.</p>	K4	CO5																																								

Z-Z-Z

END

