

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)BCom DEGREE EXAMINATION DECEMBER 2025  
(First Semester)Common to Branches – COMMERCE/ COMMERCE (CA)/ COMMERCE (E-COMMERCE)/ COMMERCE (A&F)/ COMMERCE (RM)/ COMMERCE (FS)/  
COMMERCE (FT)/ COMMERCE (BPS)/ COMMERCE (B&I)/FINANCIAL ACCOUNTING - I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

- 1 The balance sheet of a company includes:
  - a) Transaction details, accounts, assets and liabilities
  - b) Assets and Liabilities
  - c) Assets, Liabilities and equity of stockholders
  - d) Accounts, Assets and Liabilities
- 2 According to the fixed instalment method, the depreciation is calculated on \_\_\_\_\_.
  - a) Balance amount
  - b) Original Cost
  - c) Scrap Value
  - d) Market Value
- 3 When the drawee signs the bill, it is considered as:
  - a) Accepted
  - b) Retired
  - c) Renewed
  - d) Endorsed
- 4 If the bill falls due for payment on 26th January, then the payment must be made on \_\_\_\_\_ January.
  - a) 25<sup>th</sup>
  - b) 26<sup>th</sup>
  - c) 27<sup>th</sup>
  - d) 28<sup>th</sup>
- 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 Consignment stock is valued at \_\_\_\_\_.
  - a) Cost Price
  - b) Market Price
  - c) Cost or net realizable value, whichever is less
  - d) Selling Price
- 7 Branch not keeping the full system of accounting is also known as:
  - a) Foreign Branch
  - b) Dependent Branch
  - c) Independent Branch
  - d) Foreign Branch
- 8 The account prepared for ascertaining the amount of gross profit earned by the branch under the stock and debtor system is:
  - a) Branch adjustment A/c
  - b) Branch Stock A/c
  - c) Goods sent to Branch A/c
  - d) Branch Debtors A/c
- 9 The amount paid at the time of hire purchase agreement is known as:
  - a) Instalment
  - b) Cash Price
  - c) Down Payment
  - d) Hire Purchase Price
- 10 Under the instalment payment system, ownership of goods
  - a) Is transfer at the time of agreement
  - b) Is transfer at the time of last instalment
  - c) Is not transfer
  - d) It will transfer before purchase of assets

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**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

- 11 (a) From the following balances extracted at the close of the year ended 31<sup>st</sup> December 1996, prepare profit and loss account of Mr.Raj as at that date:

Particulars	Rs.	Particulars	Rs.
Gross profit	55,000	Repairs	500
Carriage on sales	500	Telephone expenses	520
Office rent	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
Traveling expenses	700	Printing and stationery	2,500
Salaries	900	Trade expenses	300
Commission	300		

(OR)

- 11 (b) On 1<sup>st</sup> January, 2013, a limited company purchased machinery for Rs.12,000 and on 30<sup>th</sup> June, 2014 is acquired additional machinery at cost of Rs.2,000. On 31<sup>st</sup> March, 2015 one of the machines which was purchased on 1<sup>st</sup> January 2013 found to have become obsolete and was sold as scrap for Rs. 5,000. It was replaced on 30.03.2015 by a new machine costing Rs.800. Depreciation to be provided at the rate of 15% per annum on the written down value. Show machinery account for the first three years.

- 12 (a) The following amount are due to Raj by Vasant. Vasant wants to pay off on 16-8-2017. Interest rate of 6% p.a. is taken into consideration. Determine the amount to be paid on 16-8-2017.

Due dates	Holiday	Rs.
1-8-2017	--	600
15-8-2017	Independence day	1,000
22-9-2017	--	500
5-10-2017	Sunday	800

(OR)

- 12 (b) Mohan purchased goods for Rs.6,000 from Kumar on 1.4.2015. Mohan accepted a three months bill for the amount and gave it to Kumar on the same day. Kumar discounted it immediately with Indian Bank at discount of 5% p.a. On due date of the bill was honoured by payment. You are required to give entries in the books of both the parties.

- 13 (a) Prem consigned 200 boxes of Medicines @Rs.100 per Box to Ram. He incurred the following expenses.

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 unsold stock on consignment.

(OR)

- 13 (b) Jain of Delhi consigned 300 tins of coconut oil to Narang of Chandigarh, invoiced at Rs.200 per tin. Jain paid Rs.2,000 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 important ledger accounts in the books of both the parties.

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- 14 (a) From the following particulars relating to Hyderabad branch for the year ended 31.12.2018, prepare branch A/c in the head office books:

Particulars	Rs.	Rs.
Stock at the branch on 1.1.2018		30,000
Debtors at the branch on 1.1.2018		60,000
Petty cash at the branch on 1.1.2018		600
Goods sent to branch during 2018		5,04,000
Cash sales 2018		1,20,000
Received from debtors 2018		4,20,000
Credit sales during 2018		4,56,000
Cheques sent to branch during 2018:		
For salaries	18,000	
For rent & rates	3,000	
For petty cash	2,200	23,200
Stock at the branch on 31.12.2018		50,000
Petty cash 31.12.2018		400
Goods returned by the branch		4,000
Debtors on 31.12.2018		96,000

(OR)

- 14 (b) X Ltd., Chennai, started on 1<sup>st</sup> April, 2017, has branch at Madurai. All goods sold at the Branches are received from the Head Office invoiced at cost plus 25%. All expenses relating to Branches are paid by the Head Office. Branch has its own Sales Ledger and sends weekly statements. All cash collections are remitted daily to Head Office by the Branch. Following particulars relating to the year ended 31<sup>st</sup> March, 2018 have been extracted from the weekly statements sent by the Branch:

Credit Sales	2,50,400	Salaries	32,000
Cash Sales	1,57,200	General Expenses	5,200
Sales Returns	4,600	Goods received from H.O.	3,00,000
Sundry Debtors	69,000	Advertisement	15,000
Rent and Rates	6,400	Stock on 31 <sup>st</sup> March, 2018	90,000
Bad Debts	12,000		

You are required to prepare Branch Accounts as they would appear in the books of the Head Office, showing the Profit or Loss for the period.

- 15 (a) On 1.1.2018, Raju purchased machinery on hire purchase system. The payment is to be made Rs.8,000 down (on signing of the contract) and Rs.8,000 annually for three years. The cash price of the machinery is Rs.29,800 and the rate of interest is 5%. Calculate the interest in each year's instalment.

(OR)

- 15 (b) Modern Furniture House sells goods on hire-purchase basis at cost plus 25%. From the following information obtained from its books, prepare Hire-Purchase Trading Account for the year ended 31<sup>st</sup> March, 2015:

Particulars	1.4.2014	31.3.2015
Stock with Hire Purchase Customers (at HP Price)	1,00,000	1,25,000
Stock at Shop	22,500	12,500
Instalments Overdue	6,000	11,000
Instalments received during the year		2,95,000
Purchases during the year		2,50,000

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**SECTION -C (30 Marks)**

Answer ANY THREE questions

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

- 16 Following is the Trial Balance of M/s. Kasturi Agencies as on 31<sup>st</sup> March, 2018. Prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> March 2018 and a Balance Sheet on that date

Particulars	Debit Rs.	Credit Rs.
Capital		1,00,000
Drawings	18,000	
Buildings	15,000	
Furniture & Fittings	7,500	
Motor Van	25,000	
Loan from Hari @12% interest		15,000
Interest paid on above	900	
Sales		1,00,000
Output CGST		2,000
Output SGST		2,000
Purchases	75,000	
Opening stock	25,000	
Establishment Expenses	15,000	
Wages	2,000	
Insurance	1,000	
Commission received		7,500
Sundry Debtors	28,100	
Bank balance	20,000	
Sundry Creditors		6,000
	2,32,500	2,32,500

**Adjustments:**

The value of stock on 31<sup>st</sup> March, 2018 was Rs.32,000. Outstanding wages Rs.500; Prepaid Insurance Rs.300; Commission received in advance Rs.800; Allow interest on capital @10%; Depreciate: Building 2½ %, Furniture & Fittings 10%, Motor Van 10%; Charge interest on drawings Rs.500.

- 17 Anil sold goods to Mukul for Rs.2,00,000 taking a bill of exchange at three month dated 1<sup>st</sup> August, 2014. On 4<sup>th</sup> October, 2014, Anil discounted the bills @ 12% p.a. with his bankers. At the date of maturity, the bill was dishonoured and bank charged Rs.500 as noting charges. Mukul paid Rs.1,00,000 and the expenses towards noting charges immediately and accepted another bill at three months for the balance amount and interest @ 12% p.a.  
Before maturity, Mukul became insolvent and ultimately paid 60 paise in a rupee. Pass Journal Entries in the books of Anil & Mukul.
- 18 M/s. Sudershan Lal & Co., of Delhi (Consignor) consigned 1,000 tins of pure ghee costing Rs.60 per tin to their agents Chatterjee Ghee Stores (Consignee) at Calcutta. The tins were invoiced as proforma Rs.80 per tin. The agents sold 400 tins at Rs.80 per tin for cash and 400 tins at Rs.82 per tin on credit.  
M/s. Sudershan Lal & Co., paid freight and carriage Rs.500 and Miscellaneous Rs.200. They drew on Chatterjee Ghee Stores at 3 months for Rs.45,000, which was duly accepted by the latter.  
**The expenses incurred by the Chatterjee Ghee Stores were:**  
Carriage Rs.250; Octroi Rs.50; Storage Rs.104, Miscellaneous Rs.200.  
They were entitled to 5% commission and 2% del credere commission on total gross sale proceeds.  
They sent their Account Sales to their principal showing as a deduction therefrom their commission and various expenses incurred by them. A month later all the debtors except one who owed Rs.200, paid cash and the Chatterjee Ghee Stores remitted the amount due on consignment. Prepare necessary accounts ignoring GST in the books of both the parties.

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- 19 Jaico Limited invoices goods to its Kanpur Branch at cost plus 25% thereon. Both Cash and Credit Sales are effected by the branch. The branch expenses are paid direct from the H.O. The details of transactions available for the year ending 31<sup>st</sup> March, 2018 are:

Goods received at Kanpur from Head Office at invoice price	40,000
Returns to Head Office at invoice price	800
Stock at Kanpur on 1 <sup>st</sup> April, 2017 at invoice price	8,000
Credit Sales for the year	30,000
Cash Sales	18,700
Debtors as on 1 <sup>st</sup> April, 2017	5,200
Bad Debts	500
Cash received from Debtors	29,500
Discounts allowed to customers	300
Returns from customers at selling price	700
Rent, Rates etc.	60
Salaries and Wages	1,200
Sundry Expenses	300
Stock as on 31 <sup>st</sup> March, 2013 at invoice price	6,000

Record the above transactions in the Branch Account in the Head Office Ledger and close the accounts as on 31<sup>st</sup> March, 2018.

- 20 On 1.1.2018 Indra Transport Company purchased from Jegan Motors five trucks costing Rs.40,000 each on the hire purchase system. It was agreed that Rs.50,000 should be paid immediately and the balance in three instalments of Rs.60,000 each at the end of each year. The Jegan Motors charges interest @10% p.a. The buyer depreciates trucks at 20% p.a. on the diminishing balance method. The buyer paid cash down and two instalments but failed to pay the last instalment. Consequently, the Jegan Motors repossessed three trucks, leaving two trucks with the buyer and adjusting the value of 3 trucks against the amount due. The trucks repossessed were valued on the basis of 30% depreciation p.a. on the written down value. The trucks repossessed were sold by Jegan Motors for Rs.60,000 after necessary repairs amounting of Rs.10,000. Open the necessary ledger account in the books of both the parties.

Z-Z-Z END

