

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2022
(First Semester)

Branch – COMMERCE (COST MANAGMENET ACCOUNTING)

FUNDAMENTALS OF ACCOUNTING

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Writing of transaction in the ledger is called
 - (i) Costing
 - (ii) Balancing
 - (iii) Journalizing
 - (iv) Posting
- 2 Which one of the following is intangible asset?
 - (i) Machinery
 - (ii) Goodwill
 - (iii) stock
 - (iv) Cash
- 3 Income and expenditure A/c reveals
 - (i) Cash in hand
 - (ii) Surplus or deficiency
 - (iii) Capital A/c
 - (iv) Net profit
- 4 Bank Reconciliation statement is a
 - (i) Ledger A/c
 - (ii) Separate statement
 - (iii) Subsidiary record
 - (iv) Cash statement
- 5 Depreciation is
 - (i) A loss due to wear and tear of fixed assets
 - (ii) A loss by fire accident
 - (iii) A loss by flood
 - (iv) A loss by fire

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a From the following balances extracted from the books of a trader, prepare Trial Balance as on 31st March, 2016.

	Rs.		Rs.
Capital	9,000	Rent out Standing	1,000
Plant and machinery	12,000	Opening Stock	2,000
Purchases	8,000	Sales returns	4,000
Sales	12,000	Investments	14,000
Sundry Creditors	8,000	Debtors	12,000
Bank loan	22,000		

OR

- b Enter the following transactions in the sales returns book:

2000

Jan 10 Akilan returned goods worth Rs.750

Jan 15 Janaki returned goods worth Rs.1500

Jan 25 Govindan returned goods worth Rs.2000

Cont...

- 7 a Prepare Trading Account from the following Balances

	Rs.
Opening Stock	80,000
Purchases	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	1,00,000
Import duty	30,000

OR

- b From the following information, prepare Balance Sheet of a trader as at 31st March, 2018.

	Rs.		Rs.
Goodwill	20,000	Bank	20,000
Capital	1,80,000	Sundry Creditors	63,000
Liabilities for Expenses	1,200	Bills Receivable	13,000
Cash in Hand	1,000	Plant and Machinery	40,000
Investment	20,000	Provision for Doubtful Debts	2,500
Bills Payable	10,700	Closing Stock	80,000
Net Profit	92,600	Furniture	16,000
Sundry Debtors	50,000	Drawing	30,000
Land and Building	60,000		

- 8 a Subscription received in the financial year 2020-21 shown as following:

For 2019-2020 Rs. 10,000

For 2020-2021 Rs. 80,000

For 2021-2022 Rs. 8,000

For 2022-2023 Rs. 5,000

Subscription O/s for the 2020-21 Rs. 15,000 and Subscription received in advance in 2019-20 Rs. 5,000.

Calculate the total amount of the Subscription which will be debited to Receipts and Payment A/c.

OR

- b From the following particulars prepare receipts and payments account

	Rs.
Cash in hand	100
Cash at bank	500
Subscription received	3,300
Donation Received	260
Investment purchased	1,000
Rent paid	400
General Exp	210
Postage and stationary	70
Sundry Exp	30
Cash balance at close	20

- 9 a Rectify the following errors

1. A credit purchase for Rs.2500 from Mr. A was not entered.

2. A credit sale to Mr. B for Rs.3200 was not entered.

3. Goods returned by Mr. C for Rs.175 was taken into stock, without any entry in the Subsidiary Book.

4. Goods returned to Mr. D for Rs.125 was not recorded.

5. Goods sold to Shri Ram for Rs.3500 was debited to Sitaram.

Cont...

OR

- b Draw up a Bank Reconciliation Statement as on 31st Dec. 2009.

1. Balance as per Cash Book Rs.13000
2. Interest on Securities collected by Bank but not entered in Cash Book Rs.1000
3. Cheques deposited but not collected by Bank Rs.3000
4. Cheques issued but not presented for the payment Rs.16000
5. Insurance Premium paid by Bank but not yet recorded in Cash Book Rs.500
6. Bank Charges debited in Bank but not recorded in Cash Book Rs.30

- 10 a A company purchased a second hand plant for Rs.30000. It immediately spent on it Rs.5000. The plant was put to use on 1-1-90. After having used it for six years, it was sold for Rs.15000. You are required to prepare the Plant A/c for 6 years, providing depreciation at 10% on original cost

OR

- b Q Ltd, purchased on 1st January, 2008 a machine for Rs. 10,000. On 1.7.08 it again purchased another machine for Rs. 5,000. On 1.7.09 the machine purchased on 1.1.2008 was sold for Rs.4,000. On 1.7.2010 a new machine was purchased for Rs.12,000. On the same date the machine purchased on 1.7.2008 was sold for Rs.4,200. Depreciation was provided at 10% p.a. on the written down value every year. Show the Machinery Account.

SECTION -C (30 Marks)Answer any **Three** questions**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Enter the following transaction in a three column cash book

Date	Particulars	Rs.
2014	Cash in hand	410
Jan1	Balance at Bank	8920
2	Cash sales	4500
3	Paid into bank	4000
5	Purchased stationary	100
8	Paid Mahesh by cheque	280
	Discount received	20
12	Gave a cheque for cash purchases	1500
15	Drew for personal use	500
18	Received from suresh , a cheque for Rs.1970 in full settlement of account for Rs.2000 and deposited it in bank	
20	Drew from bank	1000
21	Paid wages	800
25	Bank returned cheque of suresh dishonoured	
31	Bank charges as per pass book	10

- 12 From the following Trial Balance of Thiru. Mani as on 31st March 2017, prepare Trading , Profit & Loss A/c and Balance Sheet taking into account the adjustments:

Debit Balances	Rs.	Credit Balances	Rs.
Land & Buildings	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return Outwards	500
Stock 1-4-2016	5,760	Sundry Creditors	6,300
Sundry debtors	14,500	Bills Payable	9,000
Purchases	40,675		
Cash in hand	540		

Cont...

Cash at bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel & Power	4,730		
Carriage on sales	3,200		
Carriage on Purchase	2,040		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		1,76,580

Adjustments:

- 1) Stock on 31-3-2017 was Rs.6800
- 2) Salary outstanding Rs.1500
- 3) Insurance Prepaid Rs.150
- 4) Depreciate machinery @10% and Patents @ 20%
- 5) Create Provisions of 2% on debtors for bad debts.

- 13 A summary of receipts and payments of madras sports club for bone year is given below:

Receipts & Payments A/c for the year ended 31.12.2017

Receipts	Rs.	Payments	Rs.
To opening Balance	3,000	By salaries & Rent	1,500
To subscription	20,000	By Electric charges	300
To Donations	5,000	By Sports expenses	1,000
To Entrance fees	1,000	By Sports goods purchased	9,000
To interest	100	By Miscellaneous exp	700
To charity shows receipts	2,400	By Charity shows exp	2000
		By Investment	8000
		By Closing balance	9000
	31,500		31,500

Following information is available at the end of the year:

- (a) Of the subscription received Rs. 500 is for 2016, and Rs. 600 for 2018, but Rs.100 is due for 2017.
- (b) Total sum received on Entrance fees is to be capitalized.
- (c) Salary outstanding is Rs.300
- (d) Interest on investment is receivable at Rs.500. The club had the following assets on 1.1.2007:

Sports goods Rs.3000; Books Rs.2000; Investments Rs.6000;

Amount written off on sports goods during the year Rs.1500. Market value of investments gone down by Rs.300.

Prepare income and Expenditure A/c and Balance Sheet as on 31.12.2017.

- 14 From the following particulars, you are required to find out the errors in cash book and bank statement by using missing method and prepare Bank Reconciliation Statement as on 31-12-2016, for Chand Bibi Ltd:
- (i) Bank balance overdraft as per cash book Rs. 80,000
 - (ii) Cheques 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

Cont...

- (v) Bank Charges recorded twice in the cash book Rs. 100
 - (vi) Customer's Cheques returned by the bank as dishonored Rs. 4,000
 - (vii) Bill Receivable collected by the bank directly on the behalf of company Rs. 20,000
 - (viii) Cheques received entered twice in the cash book Rs. 6,000
 - (ix) Cheques issued but dishonored on technical grounds Rs. 3,000
 - (x) A Cheque deposited into the bank of worth Rs. 45,000 but Rs. 8,000, Cheque was not collected by bank
- 15 On 1st April 2015, R&P enterprises purchased a lease property for Rs.2000000. The lease will expire on 31st March 2018. It was decided to provide depreciation on lease using the Sinking Fund Method. Following transactions took place during the period. Prepare the required accounts
- i. 31st March 2016: Depreciation was Rs.640000 and this sum was invested.
 - ii. 15th November 2016: Investments costing Rs.100000 was sold for Rs.120000 and the proceeds were re-invested.
 - iii. 31st March 2017: Depreciation was Rs.640000 and the interest on investments was Rs.32000. These sums were re-invested.
 - iv. 31st August 2017: Investments costing Rs.200000 was sold for Rs.225000 and the proceeds were re-invested.
 - v. 31st March 2018: All investments were sold for 950000. Interest earned was 64000. Depreciation was Rs.640000.

Z-Z-Z

END