25MAU207A /22MAU206AN/22ECU206N

PSG COLLEGE OF ARTS & SCIENCE

(AUTONOMOUS)

BA/BSc DEGREE EXAMINATION MAY 2026

(Second Semester)

Common to Branches - **ECONOMICS & MATHEMATICS**

ACCOUNTANCY - II

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	What is the nature Consignment account? (i) Personal account (ii) Nominal account (iii) Real account (iv) Both Personal and Real account	K1	CO1
	2	To which account the abnormal loss on consignment is credited to ________ (i) Profit and loss a/c (ii) Consignee a/c (iii) Consignment a/c (iv) Consignor a/c	K2	CO1
2	3	Income and expenditure account reveals______. (i) Cash in hand (ii) Surplus or deficiency (iii) Capital (iv) Receipts and Payments	K1	CO2
	4	Who prepare on Income and expenditure account? (i) Trading concerns (ii) Non-trading concerns (iii) Manufacturing concerns (iv) Service industries	K2	CO2
3	5	Sinking fund method is also known as ______. (i) Depletion method (ii) Annuity method (iii) Depreciation fund method (iv) Insurance Policy method	K1	CO3
	6	Depreciation is a process of _______. (i) Valuation (ii) Reduction (iii) Appreciation (iv) Allocation	K2	CO3
4	7	The difference between the hire purchase price and cash price is ___________ (i) Interest (ii) Down Payment (iii) Advance Payment (iv) Instalment	K1	CO4
	8	Down payment is the payment made ____________ (i) At the time of paying the first instalment (ii) At the time of signing the agreement (iii) At the time of paying the last instalment (iv) At the time of paying the cash price	K2	CO4
5	9	Liquid ratio is also known as ____ (i) Quick Ratio (ii) Current Ratio (iii) Absolute quick ratio (iv) Turnover ratio	K1	CO5
	10	Financial statements are ___ (i) Estimates of facts (ii) Anticipated facts (iii) Recorded facts (iv) Estimates of profit	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.	Bring out the features of consignment.	K1	CO1
		(OR)		
	11.b.	From the following details, prepare the account sales: Consignment: 100 cycles @ Rs. 1,200 each, Sales : 50 cycles @ Rs. 1,400 each 20 cycles @ Rs. 1,500 each. Consignee's expenses: Freight and cartage Rs. 5,000 Godown rent Rs. 2,000 Other expenses Rs. 1,000 Consignee's commission 10%		
2	12.a.	From the following details, ascertain the amount of subscriptions to be credited to Income and Expenditure Account for the year 2019. Subscriptions received in 2019 were Rs. 48,000, which includes Rs. 4,000 for 2018 and Rs. 8,000 for 2020. Subscriptions due but not received at the end of the year 2019 were Rs. 20,000. Subscriptions received in 2018 in advance for 2019 were Rs. 12,000.	K3	CO2
		(OR)		
	12.b.	Find out the amount of salary to be debited to income and expenditure account for 2019 from the details given below. Payment made for salaries during 2019 is Rs. 48,000. Outstanding salary as on 31.12.2018 is Rs. 2,000. Outstanding salary as on 31.12.2019 is Rs. 3,200. Prepaid salary as on 31.12.2018 is Rs. 1,200. Prepaid salary as on 31.12.2019 is Rs. 1,600.		
3	13.a.	A Machine was purchased on 1ST July 2013 at a cost of Rs 14000 and Rs. 1000 was spent on its installation. The Depreciation is written off at 10% on the original cost every year. The books are closed on 31st December every year. The Machine was sold for Rs.9500 on 31st March 2016. Show the Machinery account for all the years and calculate the profit.	K3	CO3
		(OR)		
	13.b.	Explain the basic factors affecting the amount of depreciation.		
4	14.a.	On 1-1-2015, Mr.X purchased a machinery on hire purchase system. The payment is to be made Rs.4,000 down on signing of the contract and Rs. 4,000 annually for 3 years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%. Calculate the interest in each year's installment.	K3	CO4
		(OR)		
	14.b.	Xpurchased a machine under hire purchase system. According to the terms of the agreement, Rs. 40,000 was to be paid on signing of the contract. The balance was to be paid in four instalments of Rs. 25,000 each plus interest. The cash price was Rs. 1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest for each year and the instalment amount.		
5	15.a.	Following information is given: Current ratio = 2.5 ; Working capital = Rs.90000 Find out: i) Current Assets ii) Currrent Liabilities	K2	CO5
		(OR)		
	15.b.	How to interpret comparative income statement?		

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<tr><th>Module No.</th><th>Question No.</th><th>Question</th><th>K Level</th><th>CO</th></tr>
<tr><td>1</td><td>16</td><td>Balan of Bangalore consigned 190 bags of sugar to Raghu of Chennai, invoicing goods at Rs. 180 per bag. Balan paid Rs. 1200 as cartage and other expenses. The consignor drew a bill of exchange for Rs. 12,000, which was later discounted at Rs. 11,800. The consignee rendered an account sales showing the following details: 100 bags sold at Rs. 240 each on credit; 90 bags sold at Rs. 230 each for cash; freight and carriage Rs. 2000; transit insurance Rs. 600; storage and insurance Rs. 1000; commission at 5%. The consignee sent the sight draft for the amount due. You are required to prepare ledger accounts in the books of Balan, assuming that the consignee incurred a bad debt of Rs. 400.</td><td>K3</td><td>CO1</td></tr>
<tr><td>2</td><td>17</td><td>From the following particulars, prepare Income and Expenditure account.
<table>
<tr><th></th><th>Rs.</th><th></th><th>Rs.</th></tr>
<tr><td>Fee collected including Rs.80000 on account of previous year</td><td>380000</td><td>Meeting expenses</td><td>18000</td></tr>
<tr><td>Outstanding fee</td><td>10000</td><td>Travelling expenses</td><td>6000</td></tr>
<tr><td>Salary paid including Rs.3000 on account of the previous year</td><td>28000</td><td>Purchase of books (including Rs.19000 for purchase of book)</td><td>29000</td></tr>
<tr><td>Salary outstanding at the end of the year</td><td>1000</td><td>Rent</td><td>10000</td></tr>
<tr><td>Entertainment expenses</td><td>3000</td><td>Postage</td><td>15000</td></tr>
<tr><td>Tournament expenses</td><td>12000</td><td>Printing and Stationery</td><td>4000</td></tr>
<tr><td></td><td></td><td>Donations received</td><td>20000</td></tr>
</table>
</td><td>K2</td><td>CO2</td></tr>
<tr><td>3</td><td>18</td><td>A Company whose accounting year is the calendar year, purchased on 1.1.2013 for Rs 40,000. It purchased It purchased further machinery on 1^{st} Oct 2013 for Rs 20,000 and on 1^{st} July 2014 for Rs 10,000 on 1.7.2015, $1/4^{th}$ of the machinery installed on 1.1.2012 became obsolete and was sold for Rs6,800. Show how the machinery a/c would appear in the books of the company for all 3 years. Under diminishing balance method. Depreciation is to be provided at 10% p.a.</td><td>K4</td><td>CO3</td></tr>
<tr><td>4</td><td>19</td><td>Malan purchased a machine on hire purchase system on 1st January 2013. The terms of payment are four instalments of Rs. 12,690 at the end of each year. Interest is charged at 5% and is included in the annual payment of Rs. 12,690. Show Machinery Account and Hire Vendor Account in the books of Malan who defaulted in the payment of the third yearly payment, whereupon the vendor repossessed the machinery. Malan provides depreciation on the machinery at 10% per annum on the reducing balance.</td><td>K4</td><td>CO4</td></tr>
<tr><td>5</td><td>20</td><td>Calculate:
a) Current Assets b) Liquid Assets c) Inventory
Given Current ratio = 2.6:1; Liquid ratio = 1.5:1;
Current liabilities = Rs.40000</td><td>K2</td><td>CO5</td></tr>
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Z-Z-Z END