

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION DECEMBER 2022
(First Semester)

Branch – CORPORATE SECRETARYSHIP

FINANCIAL ACCOUNTING - I

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Business is said to be in a profit when
 - i) Expenditure exceeds income
 - ii) Income exceeds expenditure
 - iii) Income exceeds liability
 - iv) Assets exceed expenditure
2. A proforma invoice is sent by:
 - (i) Consignee to consignor
 - (ii) Consignor to consignee
 - (iii) Debtors to consignee
 - (iv) Debtors to consignor
3. Which of these accounts are not opened in a joint venture ?
 - (i) Stock Reserve
 - (ii) Joint bank A/c
 - (iii) Joint venture A/c
 - (iv) Co-ventures personal A/c
4. Income and Expenditure Account, generally indicates _____.
 - i) Cash Balance.
 - (ii) Capital Fund.
 - (iii) Net Profit / Loss.
 - (iv) Surplus / Deficit.
5. If due date of a bill falls on a public holiday, which day becomes the day of due date?
 - (i) The next day
 - (ii) The previous day
 - (iii) Can be conveniently chose
 - (iv) None of the above

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

6. (a) Identify the 3 kinds of accounts and write the rules governing 'Debiting' and 'Crediting' of those accounts.

(OR)

- (b) The sundry debtors on 31st Dec.95 are Rs.40000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for Rs.3000 are doubtful and are estimated to realize 2/3 rds of the amount and the debtors for Rs.1000 are bad. Make a provision for doubtful debts. Show the Journal, Profit and loss A/c and Balance sheet.

- 7.(a) Compare sale and consignment.

(OR)

- (b) Mr.B consigned 200 boxes of Medicines @ Rs.100 per box to Mr.S. He incurred the following expenses:

Insurance Rs.1000, Loading charges Rs.1600, Freight Rs.1400

An account sales was received from Mr.S which showed that 160 boxes were sold @Rs.200 per box. Mr.S. incurred the following expenses:

Clearing charges-Rs.1000, Godown rent-Rs.400, Advertisement-Rs.600, Other selling expenses -Rs.1000.

Ascertain the value of stock on consignment and show also the relevant entry.

8. (a) R and S are coventures each maintaining records of his own transactions. R pays Rs.80,000 and S pays Rs.60,000 towards expenses. S collected sales proceeds of Rs. 1,70,000. If they share profits in Capital ratio; prepare memorandum joint venture account .

(OR)

- (b) A and B completed a joint venture and earned Rs.60,000. The profits are to be shared in the ratio of 2:1 .Pass necessary journal entries in the books of A and B.

Cont...

9. (a) From the following details ascertain the amount of subscriptions to be credited to income and expenditure account for the year 1999.
Subscriptions received in 1999-Rs.48,000 which include Rs.4000 for 1998 and Rs. 8000 for 2000. Subscriptions due but not received at the end of the year 1999 were Rs.20,000. Subscriptions received in 1998 in advance for 1999 were Rs.12000.

(OR)

- (b) From the following information, find out the amount to be taken to income and expenditure account in the year ending 31-3-1999.

Particulars	As on 1-4-98	As on 31-3-99
Opening stock	1600	800
Creditors for stationery	480	1200
Amount paid to creditors for stationery	-	8000

- 10.(a) Kannan purchased goods from Raman, the due dates for payment in cash being as follows:

	Rs	
Mar.15	1000	Due 18 th apr
Apr.21	1500	Due 24 th may
Apr.27	500	Due 30 th june
May.15	600	Due 18 th july

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain that date.

(OR)

- (b) Find out the average due date of the following bills accepted by a trader who wishes to settle them with one single payment.

Date of bill	Amount of bill	Due date
1-4-90	800	6-6-90
30-4-90	1000	3-8-90
3-6-90	400	6-7-90
15-6-90	600	18-9-90

SECTION -C (30 Marks)

Answer any Three questions

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

- 11 Prepare Trading, Profit & Loss A/C and Balance Sheet from the following Trial Balance of Mr. M.Madan.

Debit Balance	Rs.	Credit balance	Rs.
Sundry Debtors	92,000	Madan's Capital	70,000
Plant & Machinery	20,000	Purchase Returns	2600
Interest	430	Sales	2,50,000
Rent, rates, taxes, & insurance	5600	Sundry Creditor	60,000
Conveyance charges	1320	Bank Overdraft	20,000
Wages	7000		
Sales returns	5400		
Purchases	1,50,000		
Opening stock	60,000		
Madan's Drawings	22,000		
Trade expenses	1350		
Salaries	11,200		
Advertising	840		
Discounts	600		
Bad debts	800		
Business premises	12,000		
Furnitures & fixtures	10,000		
Cash in hand	2060		
	4,02,600		4,02,600

Cont...

Adjustments:

- (i) Stock on hand on 31-12-96 Rs. 90,000
- (ii) Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and furniture & fixtures at 10%
- (iii) Write off Rs. 800 as further bad debts.
- (iv) Provide for doubtful debts at 5% on sundry debtors.
- (v) outstanding rent was Rs. 500 and outstanding wages Rs. 400
- (vi) Prepaid insurance Rs. 300 and prepaid salaries Rs. 700

12 Raghul sends goods on 1-1-99 to Patuadi on consignment basis to be sold at 10% commission on sales. Patuadi accepted a bill of Rs. 1,00,000 drawn by Raghul for 4 months on the same date. Raghul discounted the bill with his banker @ 15% p.a. on 4-2-99. Raghul incurred Rs. 30,000 by way of freight and other expenses whereas expenses of Patuadi were Rs. 20,000 out of which 60% were non-recurring. Patuadi sent the final balance of Rs. 2,85,000 to Raghul on 31-3-99 along with an account sales. The gross profit margin is 25% and 10% of good remained unsold with Patuadi; you are required to prepare the necessary ledger account in the books of the parties.

13. S and P entered into a joint venture and agree to divide the profit as to S 60% and P 40%. S and P contributed Rs. 1,80,000 and Rs. 1,20,000 respectively for carrying on transactions relating to the venture. They opened a joint bank account with the above contributions. They purchased three old state buses for Rs. 2,40,000. S and P personally paid Rs. 45,000 and Rs. 30,000 respectively for repairs and renewals. They purchased a few tyres and tubes costing Rs. 54,000.

Two buses were sold for Rs. 2,70,000 and the third one was taken by P at cost price. Pass necessary journal entries and prepare joint venture account, joint bank account and close the accounts of the venture.

14 From the following particulars, prepare Income and Expenditure A/C of central sports society for the 12 months from April 1998 (date of inception) to March 31, 1999.

Particulars	Received or paid (Rs)	Outstanding March 31, 1999. (Rs)
Subscription from members	4600	-
Subscription from affiliated societies	1400	200
Life subscriptions (10 years)	200	-
Gifts received	3000	-
Interest received	160	-
Committee Expenditure:		
Executive	1500	200
Planning	1440	640
Tournament	420	120
Printing, Postage & Stationery	1140	160
Office furniture	2000	-
Investments Purchased	3000	-

15 Mani has accepted the following bills drawn by Sharma:

On 8-3-94	Rs. 8000	For 4 months
On 16-3-94	Rs. 10,000	For 3 months
On 7-4-94	Rs. 12,000	For 5 months
On 17-5-94	Rs. 10,000	For 3 months

He wants to pay all the bills on a single day. Find out this date. Interest is charged at 18% p.a and mani wants to save Rs. 300 by way of interest. Find out the date on which he has effect the payment to save interest of Rs. 300.