

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION MAY 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. Basic function of accounting is to
 - (i) Summarize the data
 - (ii) Assist the management in performing functions effectively
 - (iii) Interpret the financial data
 - (iv) Record all business transactions of monetary nature.
2. When the Consignor sends goods to consignee he prepares a _____
 - (i) account sales
 - (ii) cash memo
 - (iii) proforma invoice
 - (iv) credit memo
3. A and B enter into a joint venture for purchase and sale of Type-writer. A purchased Typewriter costing Rs.50, 000. Repairing expenses Rs.5, 000 printing expenses Rs 5,000. B sold it at 20% margin on selling price. The sales value willbe:
 - (i) Rs. 62,500
 - (ii) Rs. 75,000
 - (iii) Rs. 50,000
 - (iv) Rs. 70,000
4. Under sectional balancing the ledger which is usually made to balance is _____
 - (i) Debtors ledger
 - (ii) creditors ledger
 - (iii) General ledger
 - (iv) Sales ledger
5. Income and Expenditure Account reveals _____
 - (i) Surplus or Deficiency
 - (ii) Cash in Hand
 - (iii) Net Profit
 - (iv) Capital Account

SECTION -B (15 Marks)

Answer ALL Questions

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

6. a. The sundry debtors on 31st Dec. 95 are Rs. 40,000. 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 2/3rds of the amount and the debtors for Rs. 1000 are bad. Make a provision for doubtful debts. Show the journal, Profit and Loss Account and Balance sheet.

OR

b. From the following calculate the amount of Provision for doubtful Debts to be debited to P&L A/c:

	Rs.
Opening Provision for doubtful debts	2,400
Closing Sundry Debtors	42,000
Bad debts yet to be written off	2,000

Provide for doubtful debts at 10% on debtors.

7. a. Write the difference between sale and consignment.

OR

b. Balan consigned 100 packets of cosmetics each costing Rs.300 to his agent at Mumbai. He paid Rs.500 towards freight and insurance. 15 packets were destroyed by fire on the way. Consignee took delivery of the remaining and spent Rs. 700 as godown rent, Rs.1000 import duty and Rs. 300 as carriage outwards. Calculate the value of abnormal stock.

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8. a. Bring out the differences between Joint Venture and partnership.

OR

b. A and B were partners in a joint venture sharing profits and losses equally. A supplied goods to the value of Rs. 10,000 and incurred expenses amounted to Rs. 800. B supplied goods to the value of Rs. 8,000 and his expenses amounted to Rs. 800. B sold the entire goods on behalf of the joint venture and realized Rs.24,000. B was entitled to a commission of 5 % on sales. B settled his account by bank draft. Show the journal entries and ledger accounts in the books of A and B under memorandum joint venture method.

9. a. From the following information prepare (1) Sales Ledger Adjustment Account in the General Ledger:

2005	Particulars	Amount Rs.
Jan 1	Opening balance of Sundry Debtors Credit	80,000
Dec 31	purchases	45,000
	Credit Sales	1,96,000
	Received cash from debtors	1,56,000
	Discount Allowed	4,000
	Bills Receivable Received	30,000
	Returns Inward	17,500
	Returns outward	6,000
	Rebate allowed to debtors Bad	5,500
	Debts	9,000
	Bills Receivable Dishonored	7,500

OR

b. Prepare total creditors account for the year ended 31.3.2003 from the data given below:

	Rs.
Creditors balance on 1.4.2002	38,000
Credit purchases during the year	2,67,000
Bills payable accepted	62,000
Cash paid to creditors	1,37,000
B/R endorsed to creditors	16,000
Endorsed B/R dishonoured	3,000
B/P dishonoured	2,000
Purchase returns	11,000
Discount received	6,000
Transfer from debtors ledger	7,000

10. a. Calculate the amount of salaries to be debited to income and expenditure A/c for 1999 from the details given below:

	Rs.
Payment made for salaries during 2009	24,000
Outstanding salary as on 31.12.2008	1,000
Outstanding salary as on 31.12.2009	1,600
Prepaid salary as on 31.12.2008	600
Prepaid salary as on 31.12.2009	800

OR

b. State the differences between Income and Expenditure account and Receipts and Payments account.

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SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. a. "Accounting is the language of business". Elucidate.

OR

b. From the following Trial Balance extracted from the books of Vinoth, prepare Trading and Profit and Loss Account and Balance Sheet as on 31.12.2002.

Debit Balances	Rs.	Credit Balances	Rs.
Cash at bank	2,610	Creditors	4,700
Book debts	11,070	Discount	150
Salaries	4,950	Outstanding salary	400
Carriage inwards	1,450	Returns outwardSales	2,520
Carriage outwards	1,590	Capital	80,410
Bad debts	1,310		40,000
Office expenses	5,100		
Purchases Returns	7,350		
inward Furniture	1,590		
Stock	12,300		
Depreciation	14,360		
Wages	4,500		
	60,000		
	<u>1,28,180</u>		<u>1,28,180</u>

Adjustments:

(a) Closing stock Rs.10,000

(b) Create 5% on debtors for provision for doubtful debts.

12. a. Satish of Trivendrum sent on consignment to Manish of cochin goods costing Rs. 44,250 and paid railway freight Rs.1,140; cartage Rs.350 and insurance Rs.1,050. Half of the goods were sold by Manish for Rs.26,250. He incurred storage expenses Rs.300 and selling expenses Rs.525. He is entitled to a commission of Rs.1,310 and remitted the balance by bank draft. Prepare necessary ledger accounts in the books of Satish.

OR

b. Explain Consignment and its main features.

13. a. Adarji and Bomanji were partners in a joint venture sharing profits and losses in the proportion of four-fifths and one-fifth respectively. Adarji supplies goods to the value of Rs 50,000 and incurs expenses amounting to Rs 5,400. Bomanji supplies goods to the value of Rs 14,000 and his expenses amount to Rs 800. Bomanji sells goods on behalf of the joint venture and realises Rs 92,000. Bomanji is entitled to a commission of 5 per cent on sales. Bomanji settles his account by bank draft. Give the journal entries and the necessary accounts in the books of Adarji and only the important ledger accounts in the books of Bomanji.

OR

b. Das and Krishnan entered into a Joint venture sharing profits and losses as 3:2. They opened a Bank A/c by depositing Rs.40,000 each. Das purchased 800 kg. of an item @ Rs.60 per kg. and his expenses were Rs.13,000. Krishnan purchased a second item of 10,000 Kg. @ Rs.2.10 per kg. and his expenses were Rs.11,000. Expenses were met from private sources and purchases were paid from Bank account. Krishnan sold 600 kg. of the first item @ Rs.100 per kg. and his selling expenses were Rs.5,500. Das sold 8,000 kg. of the second item @ Rs.5 per kg. and his selling suspense were Rs.6,000. All the sale proceeds were deposited in Bank Account and expenses were met from priyate sources. Write up necessary accounts in the books of the venture. Also prepare Balance sheet of the venture.

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14. a. What is sectional balancing? How does it differ from self-balancing system?

OR

- b. From the following prepare a purchase ledger adjustment account:

		Rs.
1.1.93	Creditors balance (Cr)	12,000
	Creditors balance (Dr)	150
31.12.93	Total purchases	40,000
	Cash purchases	4000
	Cash paid	20,000
	Bills accepted	15,000
	Returns outwards	2,000
	Returns inwards	1,000
	B/R Dishonoured	1,000
	B/P Dishonoured	500
	Discount Earned	600
	Discount Allowed	200
	Bills Endorsed	800
	Bills Discounted	200
	Creditors Balance(Dr.)	140

15. a. From the following details prepare an Income and Expenditure Account for the Year ending 31st December 2011.

Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
To Balance b/d	250	By Salaries	1,200
To Subscriptions:		By General Expenses	300
2010 250		By Electricity	200
2011 1000		By Books	100
2012 200	1,450	By Newspapers	400
-----		By Postage	50
To Sale of old furniture	60	By Furniture	250
(Costing Rs.100)	740	By Balance c/d	500
To Rent received	400		
To Profit from entertainments	100		
To Sale of old newspapers			
	<u>3,000</u>		<u>3,000</u>

Additional Information:

- (i) The club has 50 members, each paying an annual subscription of Rs.25. Subscriptions outstanding on 31st December 2010 were Rs.300
- (ii) On 31st December 2011, salaries outstanding amounted to Rs.100; salaries paid included Rs.100 for the year 2010.
- (iii) On 01.01.2011, the club owned land and buildings valued at Rs.10,000; furniture Rs.600 and books Rs.500.

OR

- b. What are special funds? How do you show the transactions relating to such funds in non – profit organizations ?

Z-Z-Z

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