

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION MAY 2019
(First Semester)**

Branch - COMMERCE WITH PROFESSIONAL ACCOUNTING

ACCOUNTANCY -1

Time : Three Hours

Maximum : 75 Marks

SECTION-A (IQ Marks!

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(5 x 2 = 10)

- 1 Give any two objectives of accounting.
- 2 What is bank reconciliation statement?
- 3 A Ltd purchased a machinery for Rs. 1,00,000 on 1.4.2009. The useful of the machinery is 10 years. Its residual value is Rs. 10,000. Find out the amount of depreciation under straight line method.
- 4 Write short notes on short workings?
- 5 What is accommodation bill?

SECTION - B (35 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 x 7 = 35)

- 6 a Good Luck Ltd. shift their factory to a more suitable premises. They incur the following expenditure:
 - i) Cost of dismantling, removing and installing the plant Rs. 80,000
 - ii) An old plant (WDV Rs. 1,00,000) was sold for Rs. 90,000. A new machine was purchased for Rs. 2,50,000 and installed at a cost of Rs. 40,000.
 Apportion these expenditure between capital and revenue.
 OR
 b Explain the various benefits of accounting standard.
- 7 a From the following particulars prepare a bank reconciliation statement:
 - a) Balance as per cash book Rs. 2,400
 - b) Cheques issued to creditors amounting to Rs. 1,340 were not presented to the bank
 - c) Cheques amounting to Rs. 1,900 deposited into bank were not credited.
 OR
 b Compare journal with ledger.
- 8 a Describe the various methods of valuing inventories.
 OR
 b A machine is purchased on 1st January 2005 for Rs. 50,000. It has to be depreciated on the straight line method at the rate of 20% per annum. Prepare the machinery account for the following 3 years.
- 9 a X owns Y the following sums of money due on the dates stated.
 - Rs. 4,000 due on 5TM January 2000
 - Rs. 2,000 due on 20th January 2000
 - Rs. 8,000 due on 4th February 2000
 - Rs. 1,000 due on 26th February 2000
 - Rs. 500 due on 10th March 2000
 Calculate such a date as payment may be made by x in one instalment resulting in no loss to wither party.
 OR
 b A company leased a colliery on 1.1.14 at a minimum rent of Rs. 20,000 merging into a royalty of Rs. 1.50 per tonne with power to recoup short workings over the first four years of the lease.
 The output of the colliery for the first four years was 9,000 tones, 16,000 tonnes, and 20,000 tonnes respectively. Prepare short workings account.

- 10 a Ravi consigned goods to Suraj costing Rs. 1,00,000. The Performa invoice was made to show a profit of 25% on cost. Ravi paid freight insurance Rs. 2,000 Suraj sold part of consignment for Rs. 88,000 at uniform price of 10% over invoice price and spent Rs. 3,000 as warehousing charges Rs. 1,000 as selling expenses. Suraj is entitled to commission of 5% cm sales and 20% of the net profit after charging such commission on sales. Suraj is paid the amount due by bank draft. Draw up the consignment account in the books of Ravi with appropriate working notes.

OR

- b Distinguish between consignment and joint venture.

SECTION - C (30 Marks)
Answer any **THREE** questions
ALL questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 Explain the various accounting concepts.
- 12 Mrs. Kavitha started their business on 1st April 2017 with Rs. 50,000 as their capital. Following were the transactions for one month:

		Rs.
7		
April 1	Paid into bank	20,000
2	Purchased furniture from Modern furniture Ltd. on credit	3,000
5	Purchased goods from Mohan	8,000
6	Sold goods on credit to Sivakumar	3,500
8	Paid to Modern furniture Ltd., cash	2,000
15	Paid wages in cash	200
16	Issued cheques to Mohan	7,000
20	Received from Sivakumar	1,500
21	Paid into bank	1,500
23	Cash sales	3,500
25	Cash purchases	1,800
27	Goods withdrawn for personal use	500
28	Cash withdrawn for personal use	750
29	Paid for stationery	100
30	Paid salaries to cheques	1,000

Prepare ledger accounts.

- 13 A company whose accounting year is the calendar year, purchased on 1.1.2017 a machine for Rs. 40,000. It purchased further machinery on 1st October 2017 for Rs. 20,000 and on 1st July 2018 Rs. 10,000. On 1.7.2019, 1/4th of the machinery installed on 1.1.2016 become obsolete and was sold Rs. 6,800.
Show how the machinery account would appear in the books of the company for all the 3 years. Under diminishing balance method. Depreciation is to be provided at 10% p.a.
- 14 Ravi took colliery on lease. The dead rent was Rs. 750 a year, merging into a royalty of 35 paise per tonne of coal raised, with the right to recover short workings out of royalties of two subsequent years form the period in which the short workings arose. The output raised were:
- | | |
|---------------------------|---------------------------|
| I year - 1,000 tonnes | IV th year - 1,500 tonnes |
| II year - 1,500 tonnes | Vth year - 1,000 tonnes |
| III year - 2,500 tonnes . | |
- 15 Das and Krishan entered into a joint venture sharing profits and losses as 3 : 2. They opened a bank account by depositing Rs. 40,000 each.
Das purchased 800 kg of an item at Rs. 60 per kg and his expenses were Rs. 13,000. Krishna purchased a second item of 10,000 kg at Rs. 2.10 per kg. and his expense were Rs. 11,000. Expenses were met from private sources and purchases were paid from bank account.
Krishan sold 600 kg of the first item at 100 per kg and his selling expenses were Rs. 5,500. Das sold 8,000 kg of the second item at Rs. 5 per kg and is selling expenses were Rs. 6,000. All the sale proceeds were deposited in bank account and expenses were net from private sources.
Write up necessary accounts in the books of vendor. Also prepare a balance sheet