

14EC003/14MA003/14ST010
PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BA/BSc DEGREE EXAMINATION MAY 2018
(First / Third Semester)

Common to Branches – **ECONOMICS/MATHEMATICS/STATISTICS**

ACCOUNTANCY – I / ACCOUNTANCY

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define Accounting.
- 2 What is Ledger?
- 3 Explain the term Subsidiary book.
- 4 Give the meaning of Petty cash book.
- 5 Write a short note on Bank Reconciliation Statement.
- 6 What do you mean by Error of Omission?
- 7 State the meaning of Bad debts.
- 8 What is Trading account?
- 9 Explain the term Average due date?
- 10 Write a short note on Account current.

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Explain the various objectives of accounting.

OR

- b Journalise the following transaction in Guru's books.

2016	Rs.
Jan 1 Guru started business with	250000
2 Purchased machinery on credit from Sudhan	50000
3 Bought furniture from Pranav for cash	25000
4 Goods sold to Vishakan	22500
5 Cash withdrawn from bank	50000

- 12 a Prepare purchase return book and sales return book from the following data:

2016	Rs.
April 1 Purchased goods returned to Senthil	205
3 Received goods returned by Nadarajan	300
5 Goods returned to Kannan	500
7 Sales returns of Rs.1260 by Mathavan	
15 Returned defective goods to Rajan	1280
18 Damaged goods returned by Murali	1120
23 Outward returns to Kanagasabai	275
29 Inward returns by Swaminathan	750
30 Returned inferior goods to Sankar	890
31 Selvam returned to us	1330

OR

- b What are the benefits of Petty Cash book?

- 13 a The bank overdraft of Mani on 31.12.2016 as per cash book is Rs.9000 from the following particulars, prepare bank reconciliation statement.

(i) Unpresented cheque	Rs.3000
(ii) Uncleared cheque	Rs.1700
(iii) Bank interest debited in the pass book only	Rs.500
(iv) Bill collected and credited in the pass book only	Rs.800
(v) Cheque of Raja dishonored	Rs.500
(vi) Cheque issued to Sekar entered in the cash column of cash book	Rs.300

OR

- 13 b Rectify the following errors:
- Purchase book is carried forward Rs.2000 less.
 - Sales book total is carried forward Rs.3000 more.
 - A total of Rs.758 in the purchase book has been carried forward as Rs.857
 - The total of the sales book Rs.775 on page 30 was carried forward to page 31 as Rs.557
 - Purchase return book was carried forward as Rs.5120 instead of Rs.1520.
- 14 a Prepare Trading account of Priya for the year ending 31.12.2016 from the following information:

Particulars	Rs.	Particulars	Rs.
Opening Stock	80000	Purchase	860000
Freight Inward	52000	Wages	24000
Sales	1440000	Purchase return	10000
Sales return	316000	Closing stock	100000
Import duty	30000		

OR

- b Explain the various features of manufacturing account.
- 15 a Kannan purchased goods from Rama, the due dates for payment in cash paying as follows:

Mar.15	Rs.1000	Due 18 th April
Apl.21	Rs.1500	Due 24 th May
Apl.27	Rs.500	Due 30 th June
May 15	Rs.600	Due 18 th July

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

OR

- b Balaji had the following transactions with Ganesan.

2016		Rs.
Jan 20	Sold goods to Ganesan	400
Mar.2	Purchased goods from Ganesan	250
Mar.3	Accepted Ganesan's draft at 1 month due	200
Apr.11	Cash paid to Ganesan	400
Apr.30	Goods sold to Ganesan due end of May	100
May.11	Bought goods from Ganesan	300
June.11	Balaji drew bill on Ganesan this day. Payable two months after date, and this was duly accepted by Ganesan	300

Prepare an account current to be rendered by Balaji to Ganesan as at 30th June, bringing interest into account at 20%.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Ayyankar of Karachi is not an expert in accounting. He prepare the following trial balance. You are requested to correct it and prepare a corrected trial balance.

Name of Account	LF	Debit Balance(Rs.)	Credit Balance(Rs.)
Capital		---	15560
Sales		---	27560
Sales return		---	980
Drawing		5640	---
Sundry debtors		---	5300
		7110	

Cont...

Name of Account	LF	Debit Balance(Rs.)	Credit Balance(Rs.)
Purchases		12680	---
Return Outwards		2640	---
Loan from Sharma		---	2500
Sundry Creditors		5280	---
Administration Expenses		7840	---
Cash in Hand		1420	---
Bills Payable		1000	---
Wages		5980	---
Opening Stock		---	2640
Factory expenses		4650	---
		<u>54,540</u>	<u>54,540</u>

- 17 Enter the following transaction in a simple cash book of shri. Subramanian

2016 Apr		Rs.
1	Commenced business with cash	24000
5	Bought goods for cash	6000
10	Goods sold for cash	11200
13	Paid into Bank	2500
14	Sold goods to Ganesan on credit	9000
15	Bought goods from Mohan on credit	13600
20	Purchased furniture	9600
21	Purchased Stationery	160
23	Received cheque from Ganesan	9000
25	Paid Mohan	13600
26	Received Commission	740
27	Paid telephone	300
30	Drawn from bank	3800

- 18 Prepare Bank Reconciliation Statement from the following date as on 3.12.2016.

Particulars	Rs.
Balance as per Cash book	12500
Cheque issued but not presented for payment	900
Cheque deposited in bank but not collected	1200
Bank paid insurance premium	500
Direct deposit by a customer	800
Interest on investment collected by bank	200
Bank Charges	100

- 19 The following are the ledger balances extracted from the book of Gura.

Particulars	Rs.	Particulars	Rs.
Capital	50000	Sales	301000
Bank Overdraft	8400	Return inwards	5000
Furniture	5200	Discount(Cr.)	800
Business premises	40000	Taxes insurance	4000
Creditors	26600	General expenses	8000
Opening Stock	44000	Salaries	18000
Debtors	36000	Commission allowed	4400
Rent from tenants	2000	Carriage on purchase	3600
Purchases	220000	Provision or doubtful debts	1000
Bad debts written off	1600		

Cont...

19 Cont...

Adjustments:

- a) Stock on hand on 31.12.2016 was estimated as Rs.40120
- b) Write off depreciation on business premises Rs.600 and furniture Rs.520
- c) Make a provision of 5% on debtors for bad & doubtful debts.
- d) Allow interest on capital at 5% and carry forward Rs.1400 for unexpired insurance.

Prepare final accounts for the year ended 31.12.2016.

20

Asha owes Usha, the following amount:

Rs.2000 due 31.1.2016 Rs.5000 due 31.3.2016 Rs.1000 due 31.5.2016

Usha owes Asha, the following amount:

Rs.1000 due 31.3.2016 Rs. 1600 due 30.4.90 Rs.600 due 31.5.2016

Find the average due date for a settlement in one lump sum.

Calculation to be made in term of month.

Z-Z-Z

END