

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)  
**BCom (CS) DEGREE EXAMINATION DECEMBER 2018**  
(First Semester)  
Branch - **CORPORATE SECRETARYSHIP**

**FINANCIAL ACCOUNTING -1**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 1 = 10)

- 1 The receiving aspects in a transaction is named as  
a) Debit aspect b) Credit aspect c) Single entry concept d) Cash concept
- 2 Find the other name of return our words.  
a) Return diswards b) Return back c) Purchase return c) sales returns.
- 3 The relationship between the consignor and consignee is one of  
a) Debtors and Creditors b) Seller and Buyer  
c) Principal and agent d) None of these
- 4 It is the dispatch of goods to an agent for the purpose of storage and sales is  
a) Joint Venture b) Consignment c) Branch account d) None of these
- 5 Joint Venture account is the nature of  
a) Personal a/c b) Nominal a/c c) Real a/c d) Cash a/c
- 6 Which one is called a temporary partnership?  
a) Consignment a/c b) Joint Venture a/c  
c) Hire Purchase a/c d) Installment a/c
- 7 Sales ledger adjustment account is opened in  
a) Sales Ledger b) Bought Ledger c) General Ledger d) All of these
- 8 No Self-balancing entry is required for  
a) Sales return b) Bad debts recovered  
c) Purchase Return d) Discount allowed
- 9 Receipts and Payments account records receipts and payments of  
a) Capital nature only b) Revenue nature only  
c) Both of these d) None of these
- 10 Any amount received by non-profit organizations as per will of a deceased person is called  
a) Legacy b) Donation c) Subscription d) Grant

**SECTION - B (35 Marks!)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35) '

- 11 a From the following, calculate the amount of provision for doubtful debts to be debited to P&L a/c.  
Gpning provision for Doubtful debts Rs.2,400/-  
Ciosing Sundry Debtors Rs.42,000/-  
Bad debts yet to be written off Rs.2,000/-  
Provide for doubtful debts at 10% on debtors.

OR

- b Calculate Net Profit from the following:  
Purchases(200 units) Rs. 10,000; Freight & Carriage Rs. 1,200;  
Rent & Advertising Rs.600; Sales (150 units) Rs. 10,800

- 12 a Compare the Sale with Consignment.

OR

- b Saran consigned 400 boxes of Medicines at Rs.200 per box to Varun. He incurred the following expenses:  
Insurance Rs.2,000: Loading Charges Rs.3.200; Freight Rs.2.800.

12 b Cont...

Clearing charges Rs.2,000; Godown rent Rs. 800;

Advertisement Rs. 1,200; Other selling exp Rs.2,000.

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

- 13 a Ram and Shyam are coventurers, each maintaining record of his own transactions. Ram pays Rs.80,000 and Shyam pays Rs.60,000 towards expenses. Shyam collected sales proceeds of Rs. 1,70,000. If they share profits in capital ratio, prepare Joint Venture account.

OR

b State the meaning of Joint Venture. Explain its features.

- 14 a Outline the various transactions which can increase and decrease a creditors balance.

OR

b Prepare a sales ledger adjustment a/c from the following details:

		Rs.
2016 Jan 1	Opening balance of Debtors	60,000
	Total sales for the month	1,80,000
	Sales returns	1,000
	Cash received from debtors	18,000
	B/R received	30,000
	Bills dishonoured	3,000

- 15 a From the following details, Calculate the amount of subscriptions to be credited to income and expenditure account for the year 2014.

Subscription received in 2014-Rs.24,000 which include Rs.2,000 for 2013 and Rs.4,000 for 2015. Subscriptions due but not received at the end of the year 2014 were Rs.10,000. Subscriptions received in 2013 in advance for 2014 were Rs.6,000.

OR

b Show the expenditure to be shown in Income and Expenditure Account from the following:

Stationery purchase during the year Rs.80,000

Opening Stock of Stationery Rs. 16,000

Closing Stock of Stationery Rs. 18,000

### SECTION - C (30 Marks)

Answer any THREE Questions

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

- 16 The following are the balances extracted from the books of Kumaran as on 31.12.2016. Examine the Trading and Profit and Loss account for the year ending 31.12.2016 and a Balance Sheet as on that date.

#### Trial Balance as on 31.12.2016

Debit Balance	Rs.	Credit Balance	Rs.
Drawings	8,000	Capital	40,000
Cash at Bank	3,400	Sales	32,000
Cash in Hand	12,500	Creditors	9,000
Wages	2,500		
Purchases	4,000		
Stock (1.1.2016)	12,000		
Buildings	20,000		
Debtors	8,800		
Bills receivable	5,800		
Rent	900		
Commission	500		
General expenses	1,600		
Furniture	1,000		
	81,000		81,000

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The following adjustments are to be made:

- i) Stock on 31.12.2016 Rs.8,000.
- ii) Interest on capital at 6% to be provided.
- iii) Interest on drawings at 5% to be provided.
- iv) Wages yet to be paid Rs.200.
- v) Rent prepaid Rs. 100.

- 17 Reena consigned 2,000 mt. of oil at a cost of Rs.400 per mt. to Meena. Reena paid freight and insurance of Rs. 10,000. Of the above, 500 mt. of oils were destroyed by fire during transit. Meena cleared the balance of 1,500 mt. of oils and sold 1,000 mt. at an average price of Rs.500 per mt. Meena incurred the following expenses: Godown rent Rs.2,500; Insurance Rs. 1,500; Clearing Charges Rs.2,250.

Insurance claim received against fire Rs.2,00,000 after admitting the salvage value of stock destroyed by fire at Rs.5,000. Meena was entitled to a commission of 10% on sale proceeds. Meena sends the balance to Reena after adjusting her commission and expenses out of the sale proceeds.

Prepare a Consignment A/c and Meena's A/c in the books of Reena.

- 18 Kavin and Navin entered into a joint venture sharing profits and losses as 3:2. They opened a Bank a/c by depositing Rs.20,000 each.

Kavin purchased 800kgs of an item at Rs.30 per kg. and his expenses were Rs.6,500. Navin purchased an item of Rs.10,000kgs at Rs.1.05 per kg. and his expenses were Rs. 5,500 Expenses were met from private sources and purchases were paid from bank a/c.

Kavin sold 600 kgs of an item @ Rs, 50 per kg. and his selling expenses were Rs.2,750. Navin sold 8,000 kgs of an item at Rs.2.50 per kg. and his selling expenses were Rs.3,000.

All the sale proceeds were deposited in Bank A/c and expenses were met private sources. Show necessary accounts in the books of venture.

- 19 From the following particulars, show a Debtors ledger Adjustment A/c and Creditors Ledger adjustment A/c in the General Ledger for the year ended

	Rs.		Rs.
Purchase Ledger (Cr.)	1,00,000	Purchase return	50,000
Purchase Ledger (Dr.)	11,350	Sales return	40,000
Sales Ledger (Cr.)	1,200	B/R received	1,50,000
Sales Ledger (Dr.)	2,10,500	B/P accepted	1,00,000
Credit Purchase	10,00,000	Bad Debts written off	5,000
Cash Purchase	1,00,000	Provision for Bad Debts	5,000
Credit Sales	9,00,000	B/R dishonoured	20,000
Cash Sales	3,50,000	Cash received from Debtors	6,00,000
Closing Balance:		Cash paid to Creditors	8,00,000
Purchase Ledger (Dr.)	8,500		
Sales Ledger (Cr.)	4,500		

Cont...

- 20 Prepare receipts and payments A/c of a club for the year ended 31<sup>st</sup> Dec. 2015 from the following particulars:

	Rs.		Rs.
Opening balance of Cash	80,000	Rent paid	2,400'
Receipt of entrance fees	16,000	Payment for purchase of cricket ball	1,000
Subscription received for 2015	32,000	Payment for purchase of cricket bats	3,200
Previous year's subscription received	3,200	Payment for Stationery in cash	200
Paid salaried	4,000		
Paid for miscellaneous exp.	400		

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END