

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2024
(First Semester)

Branch – **COMMERCE (BUSINESS ANALYTICS)**

BUSINESS ACCOUNTING - I/ FINANCIAL ACCOUNTING - I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Balance Sheet is prepared to a) Know the financial position b) know the profit or loss c) know the net profit d) None	K1	CO3
	2	Outstanding expenses appearing in the trial balance are shown in A) P&L a/c only b) Balance Sheet only c) P&L and B/s d) None of these	K2	CO3
2	3	Suspense account is usually closed when: a) Account are finalised b) Accounts are audited c) all the errors are rectified d) None of the above	K1	CO2
	4	Double sided errors affect: a) One Account b) Two account only c) Two or more accounts d) None of the above	K2	CO2
3	5	What is the Bills receivable account? a) Personal Account b) Machinery account c) Real account d) Nominal account	K1	CO1
	6	Royalty is connected with the following type of business a) Manufacturing Industry b) Mining Industry c) Trading Business c) Construction Business	K2	CO1
4	7	When unsold stock is taken away by a Co-venture, then account is debited. a) Joint stock b) Joint venture c) Joint bank account d) Co-venture capital account	K1	CO4
	8	The abnormal loss on consignment is credited to: a) P&L a/c b) consignee a/c c) consignment a/c d) consignor a/c	K2	CO4
5	9	Depreciation arises because of: a) Fall in value of money b) Fall in market value of asset c) Physical wear and tear d) Rise in value of money	K1	CO4
	10	Invoice price means a) cost price b) purchase price c) selling priced d) Dual price	K1	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO																								
1	11.a.	Prepare Trial Balance from the following:	K4	CO1																								
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2	11.b.	Calculate Net Profit from the following:	K4	CO2																								
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3	12.a.	From the information given below prepare Bank Reconciliation statement: I) Credit balance (Over draft) as per Cash book as on 31-1-20 7,600 II) Cheque drawn but not presented for payment 2,300 I) Interest on overdraft not recorded in the Cash book 150	K4	CO2																								
						(OR)																						
	12.b.	Classify the different types of Errors.																										
3	13.a.	On Jan 01, 2015 A sold goods ₹ 10,000 to B. Half of the payment was made immediately and for the remaining half A drew a bill of exchange upon B payable after 30 days, B accepted the bill and returned it to A. On the due date A Presented the bill to B and received the payment. Journalise the above transactions in the books of A and prepare of A's account in the books of B.	K3	CO3																								
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	13.b.	S.K. Collieries Co. Ltd. took from M/s Bihari Bros, a lease of a coal field for a period of 25 years from 1st April, 2007 on a royalty of Rs 25 per tonne of coal extracted with a Dead Rent of Rs 2,20,000 a year with power to recoup short-workings during the first five years of the lease. The company closes its books of account on 31st March every year. The output in the first five years of the lease was as follows: <table border="1"> <tbody> <tr> <td>Year ended 31st March, 2008</td> <td>...</td> <td>2,000</td> <td>tonnes</td> </tr> <tr> <td>Year ended 31st March, 2009</td> <td>...</td> <td>3,600</td> <td>"</td> </tr> <tr> <td>Year ended 31st March, 2010</td> <td>...</td> <td>9,000</td> <td>"</td> </tr> <tr> <td>Year ended 31st March, 2011</td> <td>...</td> <td>15,000</td> <td>"</td> </tr> <tr> <td>Year ended 31st March, 2012</td> <td>...</td> <td>20,000</td> <td>"</td> </tr> </tbody> </table> (a) Pass journal entries for all the transactions relating to royalties for the five years in the books of S.K. Collieries C. Ltd. (b) Suppose, output for the year ended 31st March, 2012 was 14,000 tonnes only. What would be the journal entries for the year 2011-2012 then?	Year ended 31st March, 2008	...	2,000	tonnes	Year ended 31st March, 2009	...	3,600	"	Year ended 31st March, 2010	...	9,000	"	Year ended 31st March, 2011	...	15,000	"	Year ended 31st March, 2012	...	20,000	"						
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4	14.a.	Seker of Salem sends goods amounting to Rs. 25,000 to Mathu of Madurai on consignment basis. He pays Rs. 1,000 as forwarding expenses. The goods are received by Mathu who spends Rs. 500 for carriage. Mathu sells the goods for Rs. 32,000 for which he incurs selling expenses of Rs. 1,500. He is entitled to a commission of 10% on the gross sale proceeds. Mathu settles the account by a bill. Prepare the Account sales journal entry.																										
				(OR)																								

	14.b.	Ram, Mohan and Rahim were partners in a joint venture, each contributing Rs. 5,000. Ram purchased goods for Rs. 13,000 and also supplied goods worth Rs. 1,000 from his stock. Rahim also supplied goods to the value of Rs. 1,500 from stock and him expenses in connection with the supplying of goods on account of joint venture amounted to Rs. 50. Ram paid Rs. 250 for expenses in connection with the joint venture. Ram sold goods on behalf of the joint venture and realized Rs. 20,800. Ram was entitled to a Commission of 5 per cent on sales. Unsold goods amounting to Rs. 500 were taken over by Mohan. Ram Settled accounts of Mohan and Rahim by Bank draft. Record these transactions in Ram's journal and also prepare joint venture account and Mohan and Rahim accounts in Ram's Books.		
5	15.a.	On 1 st January, 2014, machinery was purchased by X for Rs. 50,000. On 1 st July, 2015 additions were made to extent of Rs. 10,000. On 1 st April, 2016, Further additions were made to the extent of Rs. 6,400. On 30 th June, 2017 machinery, the original value of which was Rs. 8,000 on 1 st January, 2014 was sold for Rs. 6,000. Depreciation is charged at 10% p.a. on original cost. Show machinery account for the years from 2014 to 2017 in the books of X. X closes his books on 31 st December.	K2	CO2
	(OR)			
	15.b.	On 1 st January, 2016 a limited company purchased machinery for Rs. 12,000 and on 30 th June, 2017 it acquired additional machinery at a cost of Rs. 2,000. On 31 st March, 2018 one of the original machines which had cost Rs. 500 was found to have become obsolete and was sold as scrap for Rs. 50. It was replaced on that date by a new machine costing Rs. 800. Depreciation is to be provided at the rate of 15 per cent per annum on the written down value. Show ledger accounts for the first three years.		

SECTION -C (30 Marks)

Answer ANY THREE questions

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

Module No.	Question No.	Question	K Level	CO																																																				
1	16	<p>Following balances are extracted from the books of Kautilya & Co. dealing in essential goods exempted from GST on 31st March, 2018. You are required to make the necessary closing entries and to prepare trading and profit and loss account and a balance sheet as on that date:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Rs.</th> <th></th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Opening stock</td> <td style="text-align: center;">500</td> <td>Commission (Cr.)</td> <td style="text-align: center;">200</td> </tr> <tr> <td>B/R</td> <td style="text-align: center;">2,250</td> <td>Returns outwards</td> <td style="text-align: center;">250</td> </tr> <tr> <td>Purchases</td> <td style="text-align: center;">19,500</td> <td>Trade Expenses</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Wages</td> <td style="text-align: center;">1,400</td> <td>Office fixtures</td> <td style="text-align: center;">500</td> </tr> <tr> <td>Insurance</td> <td style="text-align: center;">550</td> <td>Cash in hand</td> <td style="text-align: center;">250</td> </tr> <tr> <td>Sundry debtors</td> <td style="text-align: center;">15,000</td> <td>Cash at Bank</td> <td style="text-align: center;">2,375</td> </tr> <tr> <td>Carriage Inwards</td> <td style="text-align: center;">400</td> <td>Rent & Taxes</td> <td style="text-align: center;">550</td> </tr> <tr> <td>Commission (Dr.)</td> <td style="text-align: center;">400</td> <td>Carriage outwards</td> <td style="text-align: center;">725</td> </tr> <tr> <td>Interest on capital</td> <td style="text-align: center;">350</td> <td>Sales</td> <td style="text-align: center;">25,000</td> </tr> <tr> <td>Stationary</td> <td style="text-align: center;">225</td> <td>Bills payable</td> <td style="text-align: center;">1,500</td> </tr> <tr> <td>Returns Inwards</td> <td style="text-align: center;">650</td> <td>Creditors</td> <td style="text-align: center;">9,825</td> </tr> <tr> <td></td> <td></td> <td>Capital</td> <td style="text-align: center;">8,950</td> </tr> </tbody> </table> <p>Closing Stock was valued at Rs. 12,500.</p>		Rs.		Rs.	Opening stock	500	Commission (Cr.)	200	B/R	2,250	Returns outwards	250	Purchases	19,500	Trade Expenses	100	Wages	1,400	Office fixtures	500	Insurance	550	Cash in hand	250	Sundry debtors	15,000	Cash at Bank	2,375	Carriage Inwards	400	Rent & Taxes	550	Commission (Dr.)	400	Carriage outwards	725	Interest on capital	350	Sales	25,000	Stationary	225	Bills payable	1,500	Returns Inwards	650	Creditors	9,825			Capital	8,950	K4	CO1
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Cont...

2	17	<p>On 31st December, 2017, the cash book of a firm showed a bank balance of Rs. 3,000. From the following information, prepare a bank reconciliation statement, showing the balance as per pass book.</p> <p>(i) Cheques have been issued for Rs. 2,500 out of which Cheques worth Rs. 2,000 only were presented for payment.</p> <p>(ii) Cheques worth Rs. 700 were paid on 28th December but had not been credited by the bank. One cheque for Rs. 250 was entered in the cash book on 30th December but was banked on 3rd January, 2018.</p> <p>(iii) A cheque from Mohan for Rs. 200 was paid in on 26th December but was dishonoured and the advise was received on 2nd January, 2018.</p> <p>(iv) Pass book showed bank charges Rs. 10 debited by the bank. It also showed Rs. 400 collected by the bank as interest.</p> <p>(v) One of the debtors deposited a sum of Rs. 250 in the account of the firm on 20th December. Intimation in this respect was received from the bank on 2nd January, 2018.</p>	K4	CO2
3	18	<p>'A' owes 'B' Rs. 21,000. On 1-1-2020, he accepts a bill for 3 months for Rs. 20,000 in full settlement. On the same date, 'B' discounts the bill with his bankers at 6% p.a. Before the due date, 'A' becomes bankrupt; and 'B' receives first and final dividend of 20 paise in the rupee.</p> <p>Pass journal entries and prepare necessary accounts in the books of 'B'.</p>	K4	CO5
4	19	<p>Madurai Somu & Co. consigned 50 Cases of goods @ Rs.200 each to Chennai Nathan & Co. Madurai Somu & Co. paid Rs. 200 as insurance and Rs.300 as freight. Nathan & Co sold the goods for Rs. 24,000 and paid Rs. 520 for carriage and Rs. 130 for Godown Rent Nathan & Co. is eligible for 4% Commission on Gross sales. Nathan & Co. Sends cheque for the balance due. Show the journal entries and Nathan & Co account in the books of M/s Madurai Somu & Co.</p>	K4	CO2
5	20	<p>The following balances appear in the books of Mohan, Bros:</p> <p>Jan 1, 2020 Machinery A/c Provision for Depreciation</p> <p>On 1.1.2021 they decided to the sell a machine for Rs. 4,350. This machine was purchased for Rs. 8,000 on 1st January 2022.</p> <p>You are required to prepare Provision for Depreciation A/c and Machinery A/c on 31.12.2020 assuming the firm has been charging depreciation at 10% p.a. on straight line method.</p>	K4	CO1

Z-Z-Z

END