

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2023
(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	In accounting, owners and business are _____. a) Dependent entities b) Similar entities c) Separate entities d) None of these	K1	CO1
	2	Final A/c are prepared with the help of _____. a) Journal entries b) Cash Book c) Trial Balance d) Ledger Accounts	K1	CO1
2	3	Casting errors are the result of _____. a) Ignoring Total of an account b) Wrong totaling c) Wrong Balancing d) Dual entries	K1	CO2
	4	Which of the following is a statement of business activity that reconciles financial details. a) Trading Account b) Profit & loss Account c) Cost Statement d) Bank Reconciliation Statement	K1	CO2
3	5	An accommodation bill is one drawn and accepted _____. a) without any consideration b) Endorse A/c c) Receptor A/c d) None of the above	K1	CO5
	6	The grace days for a bill is _____. a) 3days b) 4 days c) 5 days d) 6days	K1	CO5
4	7	Consignment a/c is of the nature of: a) A personal A/c b) Particular Partnership c) Real A/c d) Nominal A/c	K1	CO4
	8	A Joint venture is _____. a) Nominal A/c b) Real A/c c) Renewal d) Personal A/c	K1	CO4
5	9	Depreciation is charged on _____. a) Building b) Debtors c) Goodwill d) Closing Stock	K1	CO3
	10	Under straight line method, depreciation _____. a) Is constant b) Decreases every year c) Increases every year d) Fluctuate every year	K1	CO3

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 for the following transactions.																										
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">Rs</th> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">Rs</th> </tr> </thead> <tbody> <tr> <td>Drawings</td> <td style="text-align: right;">6,000</td> <td>Salaries</td> <td style="text-align: right;">9,500</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">24,000</td> <td>Sales Returns</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: right;">43,000</td> <td>Purchase Returns</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Bills payable</td> <td style="text-align: right;">4,000</td> <td>Travelling expenses</td> <td style="text-align: right;">4,600</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: right;">50,000</td> <td>Commission Paid</td> <td style="text-align: right;">100</td> </tr> </tbody> </table>	Particulars	Rs	Particulars	Rs	Drawings	6,000	Salaries	9,500	Capital	24,000	Sales Returns	1,000	Sundry Creditors	43,000	Purchase Returns	1,000	Bills payable	4,000	Travelling expenses	4,600	Sundry Creditors	50,000	Commission Paid	100		
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		Bills payable	4,000	Travelling expenses	4,600																							
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1	11.a.	Bills receivable	5,200	Trading expenses	2,500	K2	CO1	
		Loan from Karthick	10,000	Discount earned	4,000			
		Furniture & fixtures	4,500	Rent	2,000			
		Opening Stock	47,000	Bank overdraft	6,000			
		Cash in hand	900	Purchases	70,000			
		Cash at bank	12,500					
		Tax	3,500					
		Sales	1,28,000					
(OR)								
	11.b.	Prepare Trading Account of Archana for the year ending 31-12-22 from the following information:						
		Particulars		Rs				
		Opening Stock		80,000				
		Purchases		8,60,000				
		Freight Inward		52,000				
		Wages		24,000				
		Sales		14,40,000				
		Purchases Returns		10,000				
		Sales Returns		3,16,000				
		Closing Stock		1,00,000				
		Import duty		30,000				
2	12.a.	Show suitable rectifying entries. The Trial Balance of Arun on 31 st Dec. 2022 showed a difference of Rs. 580 excess debit. It was put to a Suspense A/c and the books were closed. On going through the books in 1987, the following were discovered. I) Rs. 540 received from M. Mohan was posted to the debit of his Account. II) Rs. 100 being purchase returns was posted to the debit of purchases A/c. III) Discount Rs. 200 received entered in the Cash book was not posted to the ledger.				K2	CO2	
	(OR)							
	12.b.	Prepare a bank reconciliation statement as on 31-12-2022: for the following particulars. I) Balance as per Cash book Rs. 2,28,800. II) Three cheque for Rs. 22,500, Rs. 3,740 and Rs. 2,700 issued in Dec. were presented for payment in Jan. 2004. III) Two cheque of Rs. 23,000 and Rs. 3,700 were sent for collection but no collection was made during the year.						
3	13.a.	Give Specimen Journal entries in the books of drawer.				K3	CO3	
	(OR)							
	13.b.	Calculate the amount payable to the Landlord from the following data: Royalty: Re. 1 per ton of coal raised Minimum Rent: 1999: Rs. 10,000 2000: Rs. 15,000 2001: Rs. 20,000 2002: Rs. 25,000 Output on Tons: 1992: Rs. 5,000 2000: Rs. 8,000 2001: Rs. 30,000 2002: Rs. 30,000 Shortworkings are recoverable only out of excess royalties in the next year but not later.						

4	14.a.	<p>From the following details prepare the Account sales:</p> <p>Consignor - Ajantha Cycles Ltd. Haryana Consign - Sri Ram cycles, Chennai Consignment - 100 cycles @ Rs. 1,200 each Sales - 50 cycles @ Rs. 1,400 each - 20 cycles @ Rs. 1,500 each</p> <p>Consignee's expenses:</p> <p>Freight & Cartage - Rs. 5,000 Go down Rent - Rs. 2,000 Other expenses - Rs. 1,000 Consignee's Commission - Rs. 10%</p>	K2	CO3
	(OR)			
	14.b.	R and S completed a Joint venture and earned Rs. 45,000. The profit is to be shared in the ratio of 3:1. Pass necessary journal entries in the books of R and S, assuming they maintain full records in their own respective books.		
5	15.a.	<p>Calculate loss on sale of Plant under W.D.V. method from the following information:</p> <p>Original cost of Plant on 1-1-20: Rs. 3,00,000 Rate of Depreciation: 10% on written down value Sale value of Plant: Rs. 1,56,000 Date of Sale: 31-12-22 Assume that the accounts are closed on 31st March each year.</p>	K3	CO5
	(OR)			
	15.b.	Explain the causes for Charging Depreciation.		

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>Prepare Trading Profit & Loss A/c for the year ended 31-12-2020 And a Balance Sheet as on that</p> <p style="text-align: center;">Trial Balance</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Rs</th> <th>Particulars</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>Purchases</td> <td>11,870</td> <td>Capital</td> <td>8,000</td> </tr> <tr> <td>Debtors</td> <td>7,580</td> <td>Bad debts recovered</td> <td>250</td> </tr> <tr> <td>Return inwards</td> <td>450</td> <td>Creditors</td> <td>1,250</td> </tr> <tr> <td>Bank deposit</td> <td>2,750</td> <td>Return Outward</td> <td>350</td> </tr> <tr> <td>Rent</td> <td>360</td> <td>Bank Overdraft</td> <td>1,570</td> </tr> <tr> <td>Salaries</td> <td>850</td> <td>Sales</td> <td>14,690</td> </tr> <tr> <td>Travelling expenses</td> <td>300</td> <td>Bills Payable</td> <td>1,350</td> </tr> <tr> <td>Cash</td> <td>210</td> <td></td> <td></td> </tr> <tr> <td>Stock</td> <td>2,450</td> <td></td> <td></td> </tr> <tr> <td>Discount allowed</td> <td>40</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td>600</td> <td></td> <td></td> </tr> <tr> <td></td> <td>27,460</td> <td></td> <td>27,460</td> </tr> </tbody> </table> <p>Adjustment:</p> <p>I) The closing stock on 31-12-81 was Rs. 4,200 II) Write off Rs. 80 as bad debts and create a reserve for bad debts at 5% on sundry debtors. III) Three months rent is outstanding.</p>	Particulars	Rs	Particulars	Rs	Purchases	11,870	Capital	8,000	Debtors	7,580	Bad debts recovered	250	Return inwards	450	Creditors	1,250	Bank deposit	2,750	Return Outward	350	Rent	360	Bank Overdraft	1,570	Salaries	850	Sales	14,690	Travelling expenses	300	Bills Payable	1,350	Cash	210			Stock	2,450			Discount allowed	40			Drawings	600				27,460		27,460	K3	CO1
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2	17	<p>Prepare Bank Reconciliation statement as on 30th April 2022 from the following particulars: P's overdraft as per Bank Passbook was Rs. 12,000 as on 30th April 2022.</p> <p>I) On 28th April 2022, cheque have been issued for Rs. 7,000 of which cheque worth Rs. 3,000 only had been en cashed up to 30th April.</p> <p>II) Cheques amounting to c Rs. 3,500 had been deposited into Bank for collection but of these, only Rs. 500 had been credited in the Bank pass book.</p> <p>III) Bank had charged Rs. 500 interest on overdraft, the intimation of which was received on 4th May.</p> <p>IV) Bank pass book shows credit for Rs. 1,000 representing Rs. 400 paid by a debtor directly into the bank and Rs. 600 collected by Bank in respect of interest on Mr. P's investment. P had no knowledge of these items.</p> <p>V) Bank had debited Rs. 1,200 on account of life insurance premium of Mr. P as per his standing advice which was not recorded in the cash book.</p> <p>VI) Credit side of the cash book bank column was cast short by Rs. 1,000.</p>	K4	CO2
3	18	<p>Show the relevant Accounts in the books of Samaresh who closes books on 30th June, 2017.</p> <p>For mutual accommodation of themselves, samaresh and Animesh draw bills on each other. On 2nd January, 2017, Samaresh draws a bill on Animesh for Rs. 2000 payable after three months and on 3rd Jan., 2017, Animesh draws a bill on Samaresh for Rs 1,000 payable after three months. As arranged, both the bills are immediately discounted at 5% per annum and the proceeds are shared equally. On maturity of the first bill Animesh becomes insolvent and is unable to honour the bill. A dividend of 50 paise in the rupee is realized from his estate on 30th June, 2017.</p>	K4	CO3
4	19	<p>Record the transactions in A's Journal and show Joint Venture A/c and B's A/c in his ledger.</p> <p>A and B entered into a joint speculation and purchase an old house with extensive grounds for Rs 8,000, each contributing Rs 4,000. For an agreed fee of Rs 500 A is to manage the disposal of the property. Sales of internal fittings, windows, etc., amount to Rs 1,700. A pays Rs 300 for demolishing the house material of which realized Rs 200. Sundry expenses paid by A were Rs 100 and the whole of the land is eventually sold for Rs 9,000. A and B share the net profits equally. A paying B his shares by cheque.</p>	K4	CO4
5	20	<p>Draw up the plant A/c and provision for depreciation account till the end of 31-12-22.</p> <p>A limited company purchased a plant for Rs. 10,000 on 1-1-21. On 1-7-21 an additional plant was bought costing Rs. 5,000. On 1-7-22, the plant bought on 1-1-21 was sold off for Rs. 4,000. On 1-7-22 a fresh plant was purchased for Rs. 12,000 and the plant bought on 1-7-21 was sold at Rs. 4,200.</p> <p>Depreciation is provided at 10% p.a. on original cost on 31st December every year.</p>	K4	CO5

Z-Z-Z

END