

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCA DEGREE EXAMINATION DECEMBER 2023  
(Third Semester)

Branch – COMPUTER APPLICATIONS

ACCOUNTING & INSURANCE

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 Commission received is.....  
(i) Real A/c (ii) Personal A/c (iii) Nominal A/c (iv) None
- 2 The value of Closing Stock should be credited to....  
(i) Trading A/c (ii) Sales A/c (iii) P&L A/c (iv) Balance sheet
- 3 Prime cost plus variable overhead is known as ----- cost  
(i) Production (ii) Total (iii) Marginal (iv) Future
- 4 Insurance system Losses arising due to a risk exposure retained or assured is known as \_\_\_\_\_.  
(i) Risk Reduction (ii) Risk Financing  
(iii) Risk Retention (iv) Risk Sharing
- 5 In a Marine Cargo Policy the insurable interest should be exist  
(i) At the time of commencement of transit  
(ii) At the time of acceptance of proposal  
(iii) At the time of claim  
(iv) At the time of proposal

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Write a short note on (i) Entity concept (ii) Accounting Period concept  
OR  
b The following are the transactions of Mr. Kannan during the month of july 2023.

Date	Particulars	Amount Rs.
1.7.2023	Capital introduced by Mr. Kannan	10,000
2.7.2023	Furniture purchased for cash	500
7.7.2023	Purchased goods for cash	3,000
11.7.2023	Sold goods to Ram for credit	1,500
15.7.2023	Paid EB Charges	150

Journalize the above transactions.

- 7 a Pass Journal Entries and post them into ledger Account and Prepare a Trial Balance as on 30.6.2023

Date	Particulars	Amount Rs.
1.6.2023	Capital introduced by Mr. Ramesh	50,000
6.6.2023	Purchased goods for cash	10,000
15.6.2023	Machinery purchased for cash	20,000
25.6.2023	Sold goods to Madan	15,000
30.6.2023	Rent paid	5,000

OR

Cont...



b Prepare a Trading and Profit and loss Account.

Particulars	Rs.	Particulars	Rs.
Opening Stock	3,600	Rent (Factory)	400
Purchase	18,260	Rent (office)	500
Wages	3,620	Sales Return	700
Closing Stock	4,420	Purchase Return	900
Sales	32,000	General Expenses	900
Carriage on Purchase	500	Discount Allowed	360
Carriage on Sales	400	Interest from Bank	200

8 a State the Advantages and Limitations of Cost accounting.

OR

b Calculate Prime Cost from the following information:-

Particulars	Rs.
Opening stock of raw material	12,500
Purchase of raw material	75,000
Expenses incurred on raw material	5,000
Closing stock of raw material	22,500
Wages	47,600
Direct expenses	23,400

9 a Discuss the nature and functions of insurance.

OR

b Enumerate the concepts and types of Risk.

10 a Explain the features of Life insurance.

OR

b Explain the features of Non life insurance.

**SECTION -C (30 Marks)**

Answer any **Three** questions

**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

11 Prepare Trading, Profit and loss A/c and Balance Sheet from the following Trial Balance of Murugan Ltd.

Debit Balance	Rs	Credit Balance	Rs
Debtors	92,000	Capital	70,000
Plant	20,000	Purchase Returns	2,600
Interest	430	Sales	2,50,000
Rent	5,600	Creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales returns	5,400		
Purchase	1,50,000		
Opening stock	60,000		
Drawings	22,000		
Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Premises	12,000		
Furniture	10,000		
Cash in hand	2,060		
	<b>4,02,600</b>		<b>4,02,600</b>

Cont...



Q.no 11 cont..

Adjustments:

1. Stock on 31.3.2021 of Rs. 90,000.
2. Provide depreciation on premises at 2.5%; Plant at 7.5% and Furniture at 10%
3. Write off Rs. 800 as further bad debts.
4. Provide for doubtful debts at 5% on debtors.
5. Outstanding rent of Rs. 500 and outstanding wages of Rs. 500
6. Prepaid insurance of Rs. 300 and Prepaid salaries of Rs. 700.

12 Prepare a Trial Balance as on 31<sup>st</sup> March 2022 from the books of Mr. B

Particulars	Rs	Particulars	Rs
Debtors	4,00,000	Capital	2,40,000
Plant	45,000	Purchase Returns	11,000
Bills Receivable	52,000	Sales	10,80,000
Rent	20,000	Creditors	4,30,000
Commission Paid	1,000	Bank overdraft	60,000
Sales returns	10,000	Discount earned	5,000
Purchase	7,08,000	Bills Payable	40,000
Opening stock	3,70,000	Cash at Bank	25,000
Drawings	60,000	Salaries	95,000
Trade expenses	25,000	Cash in hand	13,000

13 Prepare cost sheet from the following particular in the book of Rehman

- Raw material purchase Rs. 1,20,000  
 Paid freight charges Rs. 10,000  
 Wages paid to laborers Rs. 35,000  
 Directly chargeable expenses Rs. 25,000  
 Factory on cost 20% of Prime cost  
 General and administrative expenses 4% of factory cost  
 Selling and distribution expenses 5% of production cost  
 Profit 20% on sales

Particulars	Opening Stock	Closing Stock
	Rs.	Rs.
Raw material	15,000	20,000
Work in Progress	17,500	24,000
Finished goods	20,000	27,500

14 Explain the Principles, role and important of Insurance.

15 Elaborately explain the principles of Life Insurance.

Z-Z-Z

END