

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)

**BCom DEGREE EXAMINATION DECEMBER 2019**  
(First Semester)

Branch - **COMMERCE (COST AND MANAGEMENT ACCOUNTING)**

**FINANCIAL ACCOUNTING -1**

Time : Three Hours

Maximum : 75 Marks

**SECTION-A (20 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10x2 = 20)

- 1 Define accounting.
- 2 What is dual aspect concept of accounting?
- 3 What do you mean by contingent asset?
- 4 When do you prepare a manufacturing account?
- 5 What is suspense account?
- 6 Give the meaning of single entry system.
- 7 What is depletion?
- 8 How depreciation is charged under diminishing balance method?
- 9 What is pass book?
- 10 What is receipts and payments account?

**SECTION - B (25 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5x5 = 25)

- 11 a Journalise the following transaction:
- 2010 Jan 1 Business started with cash Rs.2,50,000  
                   3 Purchased machinery on credit from Rangan Rs.50,000  
                   12 Goods sold to Yesodha Rs.22,500  
                   20 Cash received from Yesodha Rs. 10,000  
                   29 Paid advertisement expenses Rs. 12,500
- OR
- b Enter the following transactions in the Sales book of M/s.Saran Raj & co. Sons:
- 2018 May 2 Sold to M/s.Raghul Bros:  
                   200 pieces long cloth at Rs.90 per piece  
                   300 pieces shirting @ Rs.1 10 per piece  
                   May 5 Sold to M/s.Gupta & Verma:  
                   20pieces coating @ Rs.250 per piece  
                   May 20 Sold 20 shirts to cheap stores @ Rs.30 each for cash
- 12 a Prepare a trading account for the year ending 31<sup>st</sup> December 2016 from the following data:
- |  |             |
|--|-------------|
| Packing Opening Stock                      | Rs.50,000   |
| Goods purchased during 2016                | Rs.2,80,000 |
| Freight and packing on the above           | Rs.20,000   |
| Closing Stock                              | Rs.60,000   |
| Sales                                      | Rs.3,80,000 |
| Package expenses on sales for distribution | Rs. 12,000  |
- OR
- b Explain interest on drawings with adjustment entry.

**Cont...**

13 a Rectify the following errors:

- i) Purchases book is overcast by Rs.300
- ii) Sales book has been undercast by Rs.200
- iii) Purchase returns book has been overcast by Rs.75
- iv) Sales returns book has been undercast by Rs.50

OR

b Distinguish between Balance sheet and statement of Affairs.

14 a Explain the meaning of Depreciation.

OR

b A company acquired a machine on 1.1.2015 at a cost of Rs.40,000 and spent Rs. 1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31<sup>st</sup> December of each year. Show the Machinery a/c for 3 years.

15 a Prepare a bank reconciliation statement as on 31.11.2020 B, from the following details:

	Rs.
Balance as per Cash book	7225
Cheques deposited into bank but not collected	675
Cheques issued but not presented for payment	879
Bank charges debited in the pass book	20
Interest credited in the pass book	15

/ OR

b Prepare a Balance sheet with the following information:

Rs.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

16 Enter the following transaction in Rohan's cash book with discount and cash columns:

	Rs.
2011 Jan 1 Cash balance	18,500
3 Cash sales	33,000
7 Paid Dravid	15,850
Discount allowed by him	150
13 Sold goods to Manohar on credit	19,200
15 Cash withdrawn for personal expenses	2,400
16 Purchased goods from Charleson credit	14,300
22 Paid into bank	22,750
25 Cash received from Manohar	19,000
Allowed him discount	200
26 Drew a cheque for office use	17,500
27 Paid cash to Saravanan	2,950
Discount received from him	50
28 Paid cash to Charles less discount	14,200
29 Cash purchases	13,500
30 Pad for advertising	600
31 Paid Salaries	nnnn

- 17 The following balances were extracted from the books of Prasad on 31<sup>st</sup> March 2014.

	Rs.		Rs.
Capital	50,000	Creditors	5,000
Drawings	4,000	Bad Debts	1,100
General expenses	5,000	Loan	15,760
Buildings	22,000	Sales	1,30,720
Machinery	18,680	Purchases	94,000
Stock (1.4.2013)	32,400	Motor Car	4,000
Power	4,480	Reserve Fund (cr)	1,800
Taxes & Insurance	2,630	Commission (cr)	2,640
Wages	14,400	Car expenses	3,600
Debtors	12,560	Bills payable	6,700
Bank Overdraft	6,600	Cash	160
Charity	210		

Stock on 31<sup>st</sup> March 2014 was valued at Rs.47,000. Prepare the final accounts for the year ended 31<sup>st</sup> March 2014.

- 18 Mr.Mano keeps his books of accounts under single entry system, His financial position on 31.12.2010 and 31.12.2011 was as follows:

	2010 (Rs.)	2011 (Rs.)
Cash	9,860	800
Stock in trade	38,520	57,020
Plant & Machinery	54,420	61,000
Bills Receivable	-	16,480
Sundry Debtors	24,840	43,940
Sundry Creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-	5,000

the year he introduced additional capital of Rs.20,000.

above particulars, prepare a statement of Profit and Loss account Mr.Mano for the year ended 31.12.2011.

- 19 The following balances appear in the books of Mohan:

1.1.2010 Machinery a/c Rs.50,000

1.1.2010 Provision for depreciation a/c Rs.20,000

On 1.1.2010, they decided to sell a machine for Rs.4,500. This machine was purchased for Rs.9,000 in January 2006. You are required to prepare Machinery a/c and the provision for depreciation a/c on 31.12.2010 assuming the firm has been charging depreciation at 10% p.a. on straight line method.

- 20 From the following particulars find out the balances as per cash book.

i) Bank overdraft as per cash book on 30<sup>th</sup> April Rs.2,000

ii) Cheques issued but not presented for payment Rs. 1,350

iii) Cheques deposited but not yet collected by the banker Rs.560

iv) Bank charges Rs.80 made by the bank not yet entered in the cash book

v) Interest on investment collected by the banker and credited in the pass book amounted to Rs.905.