

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2019
(First Semester)

Branch - **COMMERCE (PROFESSIONAL ACCOUNTING)**

ACCOUNTANCY-I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 2 = 10)

- 1 Define Accounting.
- 2 What are the needs of Bank Reconciliation Statement?
- 3 What is meant by AS-2?
- 4 What is the need for Average due date?
- 5 Write any two difference between consignment and sale.

SECTION - B (35 Marks)

Answer ALL Questions

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

- 11 a State the principles of accounting.
OR
b Briefly explain the capital and revenue expenditure with examples.
- 12 a Rectify the following errors:
 - i Purchase book is carried forward Rs.350 less.
 - ii Sales book total is carried forward Rs.500 more.
 - iii A total of Rs.758 in the purchase book has been carried forward as Rs.857.
 - iv The total of the sales book Rs.755 on page 20 was carried forward to page 21 as Rs.557.
 - v Purchase returns book was carried forward as Rs.5,120 instead of Rs. 1,520.
 OR
 b From the following information, prepare a Bank Reconciliation Statement.
 - i Cash book bank balance Rs.5,520.
 - ii Cheque deposited but not yet to be collected Rs. 12,000.
 - iii Cheque issued but not presented for payment Rs.5,000.
 - iv Insurance premium paid by bank not entered in cash book Rs.640.
 - v Bank charges Rs.140 debited in the pass book.
 - vi Dividend collected by bank Rs. 1,200 not entered in cash book.
- 13 a Calculate Minimum Stock level, Maximum Stock level and Reorder level from the following details:

a. Minimum consumption	100 units per day
b. Maximum consumption	150 units per day
c. Normal consumption	120 units per day
d. Re-order period	10 -15 days
e. Reorder quantity	1,500 units
f. Normal reorder period	12 days

OR

From the following particulars, prepare the store ledger under LIFO method.

Dec.1 Stock in hand 500 units at Rs.20

Dec.2 Issues 200 units

Dec.3 Purchased 150 units at Rs.22

Dec.4 Issued 100 units

- 14 a Anbu owes Sudhakar the following sums of money due on the dates stated.

Rs.400 due on 5th January 1990

Rs.200 due on 20th January 1990

Rs.800 due on 4th February 1990

Rs.100 due on 26th February 1990

Rs.50 due on 10th March 1990

Find out the average due date.

OR

- b Raghu had the following transactions with Arun:

01-1-93 Opening balance due to Raghu Rs. 1,500

10-2-93 Sold goods to Arun Rs. 1,000

15-3-93 Bought goods from Arun Rs.500

20-4-93 Received cash from Arun Rs.600

15-5-93 Sold goods to Arun Rs.700

Prepare an account current to be rendered by Raghu to Arun on 30-6-93 charging interest at 10% p.a.

- 15 a Sayee sends 400 kilos of edible oil at Rs.40 per kilo to Sekar. Freight and insurance amounted to Rs.500. On the way, 20 kilo oil were spoiled. Sekar took delivery of the consignment and spent Rs. 1,900 for Octroi and carriage inwards, in addition he also spent Rs.2,000 as recurring expenses. You are required to calculate the value of abnormal loss and unsold stock at the end, if Sekar sells 300 kilos of oil.

OR

- b Arun and Babu were partners in joint ventures sharing profits and losses in the ratio of 3:2. Arun supplied goods for Rs.6,000 and incurred Rs200 as expenses. Balu supplied goods worth Rs.5,000 and spent Rs.300 as expenses. Balu sold all the goods for Rs. 18,000. Balu is entitled to a commission of 4% on sales. He settled his account by sending a bank draft to Arun. Prepare Joint venture account in the books of the Arun.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 Explain the concept and objectives of Indian Accounting Standards.

- 17 Journalize the following transactions in the books of Balan:

2009		Rs.
Jan 1	Balan commenced business with a capital of	1,00,000
3	Bought goods for cash	60,000
4	Sold goods for cash	50,000
5	Deposited in IOB	40,000
6	Bought goods from Ravi	30,000
7	Bought furniture for cash	4,000
18	Drew cash for personal use	6,000
19	Received commission	1,000
20	Electricity charges paid	600
21	Paid insurance premium	1,500

- 18 A second hand machine was purchased on 1-1-90 for Rs.30,000 and repair charges amounted to Rs.6,000. It was installed at a cost of Rs.4,000. On 1st July 1991, another machine was purchased for Rs.26,000. On 1st July 1992 the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31-12-92, the machine bought on 1st July 1991 was sold for Rs.23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum under straight line method. Prepare the Machinery account for three years ending 31-12-92?

- 19 The Bengal mines Co.Ltd took from Mr.Dass a lease of a mine for a period of 25 years from 1-1-86, on a royalty of Rs.5 per tonne of mineral raised with dead rent of Rs.20,000 and power to recoup short workings during the first five years of the lease.

The annual outputs were as follows:

1986	2,000tonnes
1987	3,000tonnes
1988	4,000tonnes
1989	4,500tonnes
1990	5,000tonnes

Give journal entries in the books of Bengal Mines Company.

- 20 A draws bill for Rs. 1,200 and B accepts the same of mutual accommodation in the ratio of 4:2. A discounts the bill for Rs.1,110 and remits rd of the proceeds to B. Before the due date, B draws another bill for Rs. 1,800 on A in order to provide funds to meet the first bill. The second bill is discounted for Rs. 1,740 by b and a sum of Rs.360 is remitted to A after meeting the first bill. The second bill is duly met. Show the journal entries in the books of both A and B.

Z-Z-Z

END