

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



**BCom (CS) DEGREE EXAMINATION MAY 2019**  
(First Semester)

**Branch - CORPORATE SECRETARYSHIP**

**FINANCIAL ACCOUNTING -1**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks

(10 x 1 = 10)

- 1 Debts & payable to outsiders by the business is called  
(i) Revenue (ii) Assets (iii) Liabilities (iv) Reserve
- 2 Outstanding salary is \_\_\_\_\_ type of account.  
(i) Personal a/c (ii) Real a/c (iii) Nominal a/c (iv) Cash a/c
- 3 Del credere commission is paid to undertake.  
(i) Normal loss (ii) Abnormal loss  
(iii) Loss due to bad debts (iv) None of these
- 4 Accounts sales is prepared by  
(i) Consigner (ii) Consignee (iii) Accountant (iv) Co-ventures
- 5 When goods are sold for joint venture the amount is credited to  
(i) Capital a/c (ii) Joint venture a/c  
(iii) Debentures a/c (iv) Consigner a/c
- 6 Joint bank a/c is opened by  
(i) Co-ventures (ii) Proprietor (iii) Consignee (iv) All of these
- 7 General ledger adjustment a/c is opened in  
(i) Debtors ledger (ii) Creditors ledger  
(iii) Both debtors & creditors ledger (iv) Sales ledger
- 8 From the following, indicate which transactions will increase debtors balance  
(i) Credit sales (ii) Cash received from debtors  
(iii) Discount allowed (iv) Bad debts
- 9 The main source of income from non-trading concern is  
(i) Subscription (ii) Sales (iii) Dividends on investment (iv) Entrance fees
- 10 Sale of old newspapers is a  
(i) Capital receipt (ii) Capital expenditure  
(iii) Revenue receipt (iv) Revenue expenditure

**SECTION - B (35 Marks)**

Answer **ALL** Questions

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

- 11 a On 1<sup>st</sup> Jan. 2015, the provision for doubtful debts account in the books of a firm which maintains it at 5% has a credit balance of Rs. 3,300. During the year the bad debts amounted to Rs. 2,400 and the debts at the end of the year were Rs. 60,000. Show the amount of provision for doubtful debts to be debited to P&L A/c.

OR

- b The following particulars are extracted from the books of Kandan.

	Rs.
2016 Jan. 1 Provision for bad & doubtful debts	12,000
Provision for discount on debtors	5,600
Dec. 31 Discount allowed during the year	9,300
Bad debts written off during the year	4,700
Bad debts recovered during the year	250
Debtors	1,00,600

Write off further Rs. 2,400. Provision for discount allowed at 2% and for doubtful debts at 10% are to be maintained.

Write note on (i) Normal loss; (ii) Abnormal loss.

OR

Opening stock of goods Rs. 80,000  
 Goods sent on consignment Rs. 8,00,000  
 Sale of goods at cost plus 25%  
 Value of good sold Rs. 9,00,000  
 Calculate value of unsold stock.

Shri and Hari into a joint venture of repairs for a housing quarters at an agreed price of Rs. 10,000. Hari supplied materials for Rs. 6,000 and Shri supplied equipments for Rs. 1,000. Shri has also taken back the equipment at the end at an agreed value of Rs. 500. Prepare joint venture account in the books of Hari.

OR

Write note on joint bank account and co-venture's account.

List out various transactions which can increase and decrease the balance in debtors account.

OR

What is errors of principle? Explain.

Find out the expenditure to be shown in income and expenditure account from the following:

	Rs.
Sports materials purchased for cash	40,000
Opening stock of sports materials	10,000
Closing stock of sports materials	16,000
Opening creditors for sports materials	14,000
Cash paid to creditors for sports materials	44,000
Closing creditors for sports materials	12,000

OR

Narrate the following:

(i) Life membership fees (ii) Subscription ' (iii) Donations (iv) Legacy.

### **SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

Prepare trading, profit & loss a/c and balance sheet from the following trial balance of Mr. Gugan.

Debit balance	Rs.	Credit balance	Rs.
Sundry debtors	1,84,000	Gugan's capital	1,40,000
Plant & machinery	40,000	Purchase returns	5,200
Interest	860	Sales	5,00,000
Rent, taxes & insurance	11,200	Sundry creditors	1,20,000
Conveyance charges	2,640	Bank overdraft	40,000
Wages	14,000		
Sales returns	10,800		
Purchases	3,00,000		
Opening stock	1,20,000		
Gugan's drawings	44,000		
Trade expenses	2,700		
Salaries	22,400		
Advertising	1,680		
Discount	1,200		
Bad debts	1,600		
Business premises	24,000		
Furniture & Fixtures	20,000		
Cash in hand	4,120		
	— 4,120 —		

16 Cont...

Adjustments:

- i) Stock on hand on 31.12.2016 Rs. 1,80,000
- ii) Provide depreciation on premises at 25%; Plant & Machinery at 7.5% and furniture at 10%
- iii) Write off Rs. 1,600 as further bad debts
- iv) Provide doubtful debts at 5% on debtors
- v) Outstanding rent Rs. 1,000 and outstanding wages Rs. 800
- vi) Prepaid insurance Rs. 600 and prepaid salaries Rs. 1,400.

17 Ramesh consigns 2,000 cases of goods costing Rs. 200 each to Umesh. Ramesh pays the following expenses:

Freight Rs. 12,000; carriage Rs. 4,000; Landing charges Rs. 4,000. Umesh sells 1,400 cases at Rs. 280 per case and incurs the following expenses:

Clearing charges Rs. 3,400; Warehousing & storage Rs. 6,800; Packing & Selling expenses Rs. 2,400.

It is found that 100 cases have been lost in transit and 200 cases are still in transit. Umesh is entitled to a commission of 10% on gross sales prepare (i) Consignment A/c; (ii) Umesh A/C in the books of Ramesh.

18 Gokul and Rahul were partners in a joint venture sharing profits and losses equally. Gokul supplied goods to the value of Rs. 20,000 and incurred expenses amounted to Rs. 1,600. Rahul supplied goods to the value of Rs. 16,000 and his expenses amounted to Rs. 1,600. Rahul sold the entire goods on behalf of the joint venture and realised Rs. 48,000. Rahul was entitled to a commission of 5% on sales. Rahul settled his account by bank draft.

Show the journal entries and ledger accounts in the books of Gokul and Rahul under memorandum joint venture method.

19 From the following details, prepare the purchase ledger adjustment a/c in general ledger and general ledger adjustment a/c in purchase ledger for the year 2016.

	Rs.		Rs.
Purchase ledger balance		Cheques paid to creditors	60,000
. on 1.1.2016 (Cr)	2,40,000	Cheques dishonoured	2,000
Purchase ledger balance		Goods returned to creditors	20,000
on 1.1.2016 (Dr)	20,000	Discount allowed	4,000
Purchases	3,60,000	Interest on suppliers a/c due	2,000
Bills payable	80,000	B/P dishonoured	8,000
Cash paid	2,00,000		

20 Distinguish between receipts and payments account and income and expenditure account.

Z-Z-Z

END