

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2023 ONLY)

23UCC101

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : NOVEMBER-2023
COURSE NAME: B .Com.- C.A **MAXIMUM MARKS: 75**
SEMESTER: I **TIME : 3 HOURS**

PART - III**FINANCIAL ACCOUNTING****SECTION – A** **(10 X 1 = 10 MARKS)****ANSWER THE FOLLOWING QUESTIONS.****MULTIPLE CHOICE QUESTIONS.****(K1)**

1. Double entry system means _____.

(a) Entry for the two aspects of books	(b) Entry for the two aspects of a transaction
(c) Entry at two dates	(d) None of these
2. Outstanding expenses appearing in the trial balance are shown in _____.

(a) Profit & Loss A/c only	(b) Balance sheet only
(c) Profit & Loss A/c & Balance sheet	(d) None of these
3. A bank reconciliation statement is prepared by _____.

(a) A customer of the bank	(b) Bank
(c) Creditor	(d) Insurance Company
4. Under debtors system, branch account is a _____.

(a) Real Account	(b) Personal Account
(c) Nominal Account	(d) None of these
5. Selling expenses should be divided among the different departments on the basis of _____.

(a) Sale	(b) Purchase
(c) Space occupied	(d) None of the these

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.**(K2)**

6. Define Accounting.
7. State any two need for providing depreciation.
8. What is suspense account?
9. Pass journal entries in the books of Head office under debtors system when goods sent to branch at cost
10. What is down payment?

SECTION – B **(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.** **(K3)**

11. a) Write journal entries for the following transactions:

2021

- June 1. Kumar started business with capital of Rs. 1,00,000
5. Credit purchase from Mr. Arun Rs. 20,000
7. Sold goods to Krishna for cash Rs. 50,000
10. Discount received Rs. 1,000
15. Paid salary to the staff Rs. 5,000

(CONTD.....2)

(OR)

11. b) Examine the functions of Trial Balance.

12. a) From the following information prepare Trading Account and find the Gross profit.

Particulars	Rs.
Opening stock	1,00,000
Purchases	1,50,000
Purchase return	25,000
Direct expenses	10,000
Carriage inwards	5,000
Sales	4,00,000
Closing stock	50,000

(OR)

b) A machine purchased for Rs. 51,200. Its life is expected to be 4 years and the scrap value is expected to Rs. 16,200. You are required to determine the rate of depreciation when straight line method of depreciation is adopted.

13. a) From the following particulars of Mr. Ramesh, prepare a bank reconciliation statement as on 31.12.2018.

- (i) Balance as per cash book as on 31.12.2018 was Rs. 15,000
- (ii) Cheques for Rs. 6,000 were deposited on 25th December, but collected in January 2019.
- (iii) Cheques for Rs. 3,000 were issued in December and out of which only for Rs. 2,000 were presented for payment in December 2018.
- (iv) Bank has debited bank charges of Rs. 250

(OR)

b) Rectify the following errors:

- (i) Purchase from Rashid for Rs. 300 has been omitted to be posted to the personal a/c.
- (ii) Sales to Ajeet for Rs. 650 has been posted to his account as Rs. 560
- (iii) Purchase from Vijay for Rs. 750 has been posted to the debit side of his account.
- (iv) Sales to Sudhkar for Rs. 460 has been posted to his credit as Rs. 640.

14. a) Layal Shoe company opened a branch at Chennai on 1.1.2019. From the following particulars, the Chennai Branch account for the year ended 31.12.2019. Present Branch Account in the head office books:

(OR)

b) Describe the objective of maintain Branch accounts.

(CONTD.....3)

15. a) A company has two departments A and B. Department A supplies goods to department B at its usual selling price. From the following figures prepare Departmental Trading Account for the year ended 31.12.2018.

Particulars	Dept. A (Rs.)	Dept. B (Rs.)
Opening stock	30,000	-
Purchases	2,10,000	-
Transfer to B	50,000	50,000
Sales	2,00,000	60,000
Closing stock	40,000	10,000

(OR)

b) On 1.1.2016, X purchased Machinery on hire purchase system. the payment is to be made Rs. 40,000 down (on signing of the contract and Rs. 40,000 annually for three years. the cash price of the machinery is Rs. 1,49,000 and the rate of interest is 5%. Determine the interest in each year's installment.

SECTION – C **(5 X 8 = 40 MARKS)**

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4 (Or) K5)

16. a) Enter the following transactions in the purchase book and Sales book of Mr. Pandian.

Date	Particulars	Rs.
2020 June 1	Purchased goods from Balu	30,000
2	Sold goods to Swamy	15,000
4	Bought goods from Gowri	13,500
12	Sold goods to Thennali	10,500
19	Sold goods to Jayaram	7,500
21	Bought goods from Rajesh	9,000
30	Sold goods to Shanthi	1,000

(OR)

b) Prepare Trial Balance from the following information's:

Particulars	Rs.	Particulars	Rs.
Capital	90,000	Rent outstanding	10,000
Plant & Machinery	1,20,000	Opening stock	20,000
Purchases	80,000	Sales return	40,000
Sales	1,20,000	Investments	1,30,000
Creditors	80,000	Debtors	1,20,000
Bank loan	2,20,000	Cash in hand	10,000

(CONTD.....4)

17. a) From the following balances as at 31-12-2021 of a trader, Prepare Trading and Profit and Loss a/c for the year ended 2021 and a Balance sheet as on that date.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Salaries	55,000	Creditors	95,000
Rent	13,000	Sales	3,20,000
Cash	10,000	Capital	3,00,000
Debtors	4,00,000	Loans	1,00,000
Office expenses	6,000		
Purchases	2,30,000		
Stock 1.1.2021	20,000		
Advances	25,000		
Bank balances	56,000		
	8,15,000		8,15,000

Adjustments: (i) Closing stock Rs. 90,000.

- (ii) One month's salary is outstanding.
- (iii) One month's rent has been paid in advance.
- (iv) Provide 5% for doubtful debts.

(OR)

b) On 1st January 2017, a limited company purchased machinery for Rs. 1,20,000 and on 30th June, 2018 it acquired additional machinery at a cost of Rs. 20,000. on 31st March, 2019 one of the original machines which had a cost of R. 5,000 was found to have become obsolete and was sold as scrap for Rs 500. It was replaced on that date by a new machine costing Rs. 8,000.

Depreciation to be provided at the rate of 15% p.a. on the written down value method.

Show ledger accounts for the first three years.

18. a) Prepare a Bank reconciliation statement from the following data as on 31.3.2023.

- (i) Balance as per cash book Rs. 12,500
- (ii) Cheques issued but not presented for payment Rs. 9,000
- (iii) Cheques deposited in bank but not collected Rs. 12,000
- (iv) Bank paid insurance premium Rs. 5,000
- (v) Direct deposit by customers Rs. 8,000
- (vi) Interest on investment collected by the bank Rs. 2,000
- (v) Bank charges Rs. 500.

(CONTD.....5)

(OR)

18. b) A book keeper failed to balance his trial balance, the credit side exceeding the debit side by Rs. 1,750. This amount was entered in a suspense account. later the following errors were discovered.

- (i) Goods worth Rs. 6,200 sold to Rahim were wrongly entered in the Sales book, but posted to Rahim's account as Rs. 2,600.
- (ii) A credit balance of Rs. 7,550 of Rent Receivable a/c was shown as Rs. 5,700
- (iii) The total of return outwards book amounted to Rs. 2,000 was not posted to ledger.
- (iv) goods worth Rs. 1,000 purchased from Prem were wrongly entered in the sales book, the account of Prem was correctly credited.
- (v) The sales book was under cast by Rs. 1,000
- (vi) The total of the credit side of Dravid's account was over cast by Rs. 1,000.

Give journal entries to rectify the errors and prepare the suspense account.

19. a) The Calcutta commercial company invoice goods to its Bombay branch at cost. The head office paid all the branch expenses from its bank except petty cash expenses which were paid by branch. From the following details relating to the branch prepare (i) Branch Stock A/c, (ii) Branch Debtors A/c, (iii) Branch Expenses A/c, (iv) Branch P & L A/c.

Particulars	Rs.	Particulars	Rs.
Stock (Opening)	21,000	Discount to customers	4,200
Debtors (Opening)	37,800	Bad debts	1,800
Petty cash (Opening)	600	Goods returned by customers to branch	1,500
Goods sent from H.O	78,000	Salaries & Wages	18,600
Goods returned to H.O	3,000	Rent & Rates	3,600
Cash sales	52,500	Debtors (Closing)	29,400
Advertisement	2,400	Petty cash (Closing)	300
Cash received from debtors	85,500	Credit sales	85,200
Stock (closing)	19,500	Allowances to customers	600

(OR)

19. b) The following information relates to Madurai branch. Prepare Branch A/c for the year 2020.

20. a) Summarize the advantages of preparing Department Accounts.

(OR)

b) On 1st January 2019 Baba & Co. purchased a machine on hire purchase basis, the total amount payable being Rs. 42,700. Payment was to be made Rs. 12,000 on that date and balance in three half yearly installments of Rs. 11,400, Rs. 10,900, and Rs. 8,400 commencing from 30th June 2019. The vendor charged interest @ 10 p.a. calculated half-yearly rests.

Baba & Co. close their books annually on 30th June and provide depreciation @ 10% p.a. on reducing balance method.

Determine the cash price of the machine and show the relevant ledger accounts in the books of Baba & Co.
