

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **23UBI101**

DURING THE ACADEMIC YEAR 2023 ONLY)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : NOVEMBER 2023

B.COM-B&I

MAXIMUM MARKS: 75

SEMESTER I

TIME : 3 HOURS

PART - III

FINANCIAL ACCOUNTING - I

SECTION – A

(10 X 1 = 10 MARKS)

(K1)

ANSWER THE FOLLOWING QUESTIONS.

1. Drawings account is related to:
a) Nominal Account. b) Personal Account.
c) Real Account. d) Company drawings account.
2. At the time of endorsement of a bill, the drawer credits:
a) The drawee. b) Endorsee's personal account.
c) Bills receivable account. d) Bills for collection account.
3. Base date is otherwise called as .
a) zero date. b) leave date. c) working days. d) grace days.
4. The main objective of depreciation is
a) To show the previous profit b) To calculate net profit
c) To reduce tax d) To satisfy the tax department
5. Under hire purchase system the agreement can be _____ anytime.
a) Renewed b) Registered c) Terminated d) Endorsed

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. List the journal entries for the month of Feb 2015:
Feb 3- X commenced business with a capital of Rs. 15000
Feb 5- Purchased goods Rs. 6, 000
Feb 7- Purchased goods on credit from S & Co Rs. 3, 000
7. What is BRS?
8. Outline the meaning of depreciation.
9. Explain the term drawer, drawee and endorsee.
10. Discuss the term repossession.

SECTION – B

(5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)

11. a) Prepare a Trial Balance with the following information:

Sr. No	Name of Account	Balance (Rs)	Sr. No	Name of Account	Balance (Rs)
(i)	Capital	2,00,000	(ii)	Stock	70,000
(iii)	Cash	1,80,000	(iv)	Debtors	3,00,000
(v)	Creditors	1,00,000	(vi)	Bank Loan	1,50,000
(vii)	Sales	3,00,000	(viii)	Purchases	2,00,000

(OR)

b) Rectify the following errors:

- (i) Credit sales to Mohan Rs 7,000 were not recorded.
- (ii) Credit purchases from Rohan Rs 9,000 were not recorded.
- (iii) Goods returned to Rakesh Rs 4,000 were not recorded.
- (iv) Goods returned from Mahesh Rs 1,000 were not recorded.

12.a) From the following Calculate Average due date

Amount	Due Date
1000	3 rd April
1600	2 nd July
2000	11 th September

(OR)

b) From the following particulars, prepare a bank reconciliation statement as of March 31, 2017.

- (i) Balance as per cash book Rs.3,200
- (ii) Cheque issued but not presented for payment Rs.1,800
- (iii) Cheque deposited but not collected up to March 31, 2017 Rs.2,000
- (iv) Bank charges debited by bank Rs.150

13.a) Compare bill of exchange and promissory note.

(OR)

b) Receipts and payments account shows a payment for stationery amounting to Rs. 40,000 and there is an opening and closing stationery amounting to Rs. 12,000 and Rs. 15,000. What is the amount to be considered as an expense in income and expenditure account?

14. a) A company purchased a Plant for Rs.50,000. The useful life of the Plant is 10 Years and the Residual Value is Rs.10,000. Find out the Rate of Depreciation under the Straight Line Method.

(OR)

b) A company has brought a car that values rupees 500,000 and the useful life of the car as expected by the buyers is ten years. And the residual value is expected to be rupees 24,000. Hence, using the diminishing method calculate the depreciation expenses. The rate of depreciation is 60%

15.a) On 1.1.86, X purchased machinery on hire purchase system. The payment is to be made Rs.4,000 down (on signing of the contract) and Rs.4,000 annually for three years. The cash price of the machinery is Rs.14,900 and the rate of interest is 5%. Calculate the interest in each years instalment.

(OR)

b) Mr.P purchased 4 cars for Rs.14,000 each on 1.1.92 under the hire purchase system. The hire purchase price for all the 4 cars was Rs.60,000 to be paid as Rs.15,000 down payment and 3 equal instalments of Rs.15,000 each at the end of each year. Interest is charged at 5%p.a. The buyer depreciates the car at 10% p.a. on straight line method. From the above particulars give journal entries and relevant a/c's in the books of Mr.P and in the books of hire-vendor.

SECTION – C **(5 X 8 = 40 MARKS)**
ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4/ K5)

16. a) Write journal entries in the books of Chikky & Bros.

10th June : Paid wages 12,000

11th June : paid rent by cheque 10,000

13th June : Paid salary to Mr. Charan 12,000

14th June : Purchased stationery from Kagaz & Co. and paid by cheque 5,000

15th June : Received interest 14,000

17th June : Received commission by cheque 6,000

18th June : Rent received from Mr. Mody 8,000

19th June : Interest received from Mr.Bijju by cheque 10,000

20th June : Carriage paid on purchase of goods 3,000

22nd June : Carriage paid on sale of goods 2,000

(OR)

b) Prepare Trial Balance for the following Balances as on 31st March 2021

Balances	Rs
Cost of Goods Sold	5,20,000
Opening Stock	50,000
Closing Stock	50,000
Salary and Wages	50,000
Sales	8,00,000
Plant & Machinery	2,00,000
Drawing	50,000

Investment	4,30,000
Creditors	1,00,000
Capital	4,00,000

17.a) Kannan purchased goods from Raman, the due dates for payment in cash being as follows: Rs. Mar. 15 1,000 Due 18th April Apr. 21 1,500 Due 24th May Apr.27 500 Due 30th June May 15 600 Due 18th July Raman agreed to draw a bill for the total amount due on the average due date. Ascertain the date.

(OR)

b) The following transactions took place between Ram and Krishna from 1.1.09 to 30.6.09.

Jan 1 Sold goods to Ram 2,240

Jan 10 Received Ram's acceptance at 2 months 1,000

Feb 15 Received cash from Ram 1,200

Mar 2 Bought goods from Ram 5,500

Mar 3 Accepted Ram's bill at 1 month 2,000

Apr 11 Paid cash to Ram 2,000

Apr 30 Sold goods to Ram payable up to 31st

May 2,400 May 11 Bought goods from Ram 1,500

May 31 Sold goods to Ram payable up to 10th June 2,200

June 15 Bought goods from Ram 3,000

Prepare the account current to be sent by Krishna on 30th June 2009. The rate of interest is 5%.

18. a) On Jan 01, 2016 Rao sold goods Rs. 10,000 to Reddy. Half of the payment was made immediately and for the remaining half Rao drew a bill of exchange upon Reddy payable after 30 days. Reddy accepted the bill and returned it to Rao. On the due date Rao presented the bill to Reddy and received the payment. Journalise the above transactions in the books Rao and prepare of Rao's account in the books of Reddy.

(OR)

b) From the following information of GFG Club, prepare Receipts and Payment Account for the year ending on 31st March, 2022. Cash at Bank at the yearend was ₹1,97,300. Find Cash in Hand at the year ending:

1. Balance on 1st April,2021:

Cash at Bank Rs.83,200

Cash in Hand Rs.27,000

2. Subscriptions received Rs.64,200 (including Rs.11,100 for 2020-21 and Rs.16,300 for 2022-23)

3. Special Subscriptions for Governor's Party Rs.49,000

4. Sundry Receipts:

Locker rent Rs.31,500

Sale of Old Newspapers Rs.1,750

Profit from Entertainment Rs.22,800

Rent realized from Club Hall Rs.35,500

Interest received from Investment Rs.8,000

5. Sundry Payments:

Salaries Rs.28,000 (Rs.6,500 includes for 2020-21)

Postage and Stationery Rs.2,020

Electricity charges Rs.1,765

Purchase of Library Books Rs.30,200

Expenses on Dance and Socials Rs.1,980

6. Life Membership Fees Rs.12,630 and Entrance fees Rs.1,590 of the club

7. Investments purchased by the Organization worth Rs.20,000

8. Honorarium paid by the Organization Rs.3,050

19.a) Calculate annual depreciation and rate of depreciation under Straight Line Method in each of the alternative cases:

Case	Purchase of Machinery	Installation Charges	Estimated Scrap Value	Estimated Useful Life (In Years)
(a)	1,80,000	20,000	10,000	5
(b)	4,75,000	25,000	50,000	5
(c)	90,000	10,000	20,000	10
(d)	3,40,000	60,000	40,000	10
(e)	90,000	10,000	20,000	4

(OR)

b) A boiler was purchased from abroad for 10,000. Shipping and forwarding charges 2,000, Import duty 7,000 and expenses of installation amounted to 1,000. Calculate the Depreciation for the first three years (separately for each year) @ 10% p.a. on Diminishing Balance Method.

20.a) X purchase a machine under hire purchase system. According to the terms of the agreement Rs.40,000 was to be paid on signing of the contract. The balance was to be paid in four annual instalments of Rs.25,000 each plus interest. The cash price was Rs.1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest for each year and the instalment amount

(OR)

b) On 1.1.90 National Transport Company purchased from Metro Motors five trucks costing Rs.40,000 each on the hire purchase system. It was agreed that Rs.50,000 should be paid immediately and the balance in three instalments of Rs.60,000 each at the end of each year. The Metro Motors charges interest @ 10% p.a. The buyer depreciates trucks at 20% p.a. on the diminishing balance method. The buyer paid cash down and two instalments but failed to pay the last instalment. Consequently, the Metro Motors repossessed three trucks leaving two trucks with the buyer and adjusting the value of 3 trucks against the amount due. The trucks repossessed were valued on the basis of 30% depreciation p.a. on the written down value. The trucks repossessed were sold by Metro Motors for Rs.60,000 after necessary repairs amounting to Rs.10,000. Open the necessary ledger accounts in the books of both the parties.

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ETHICAL PAPER

