

(FOR THE CANDIDATES ADMITTED

23UIB101

DURING THE ACADEMIC YEAR 2023 ONLY)

REG.NO.

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**  
**END-OF-SEMESTER EXAMINATIONS : NOVEMBER 2023**

**B.Com(IB) (SF)**

**MAX. MARKS: 75**

**SEMESTER I**

**TIME : 3 HOURS**

**PART - III**

**23UIB101- PRINCIPLES OF ACCOUNTING**

**SECTION – A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS**

**(K1)**

1. Cash withdrawn by the proprietor from the business is credited to  
a. Drawings A/c    b. Capital A/c    c. Cash A/c    d. Goods A/c
2. Sales Book records \_\_\_\_\_  
a. Cash sales    b. Sales if assets on credit  
c. Sales of goods on credit    d. Sales of loose tools
3. Trial Balance shows \_\_\_\_\_  
a. flow of funds    b. arithmetical accuracy of posting  
c. valuation of assets and liabilities    d. debit or credit balance
4. Goodwill is \_\_\_\_\_  
a. fixed asset    b. current asset    c. fictitious asset    d. intangible asset
5. Under Straight line method , depreciation is calculated on \_\_\_\_\_  
a. the original cost    b. written down value    c. the scrap value    d. the annuity value

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

**(K2)**

6. Mention any two objectives of Accounting
7. Define Bills payable book
8. Identify the need for preparing Trial Balance
9. What is Trading Account ?
10. Define Depreciation

**SECTION – B**

**(5 X 5 = 25 MARKS)**

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

**(K3)**

11. a) Sketch the branches of accounting

**(OR)**

- b) List the accounting conventions

(CONT...2)

12. a) Explain the advantages of double entry system

**(OR)**

b) From the following transactions prepare Purchases book and Sales book

	Rs.
2000 Jan 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 Thenali	10,500
10 Sold goods to Jayaraman	750
21 Bought goods from rajesh	9,000
30 Sold goods to Raji	900

13. a) Distinguish between Journal and Ledger

**(OR)**

b) Prepare a trial balance from the following:

	Rs.
Purchase	20,000
Sales	25,000
Capital	15,000
Sundry Debtors	2,500
Sundry Creditors	5,000
Salary	2,500
Rent paid	2,500
Buildings	17,500
Commission paid	1,500
Returns inwards	300
Discount allowed	1,100
Machinery	2,500
Bills Payable	5,400

14. a) Prepare profit & loss account from the following information

	Rs.
Gross profit	25,000
Salaries	5,600
Insurance	200
Discount allowed	400
Discount received	300
Commission earned	100
Advertisement	450
Taxes	150
Travelling expenses	500
Stationary	75
Rent	650
Interest on loan	225
Repairs	125
Office expenses	55
Postage	175
Printing charge	375

**(OR)**

b) Prepare Trading Account from the information given below

	Rs.		Rs.
Opening stock	3,600	Rent(factory)	400
Purchases	18,260	Carriage inwards	500
Wages	3,620	Sales returns	700
Closing stock	4,420	Purchases returns	900
Sales	32,000		

15.a) An asset is purchased for Rs.25,000. Depreciation is to be provided annually according to straight line method. The useful life of the asset is 10 years and its residual value is Rs.5,000. You are required to find out the rate of depreciation and prepare the asset account for three years

(OR)

b) A machine was bought on 1.1.2018 for Rs.12,000 and installation expenses amounted to Rs.3,000. Depreciation was provided at 10% on the original cost. It was sold on 30.6.2020 for Rs.7,250. Show the machine account

### SECTION – C

(5 X 8 = 40 MARKS)

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

16 a) Explain the concepts of Accounting

(OR)

b) Point out the advantages of Accounting

17.a) Journalise the following transactions

		Rs.
2000 Jan	1 Started business with cash	10,000
	2 Deposited into bank	7,000
	3 Goods purchased for cash	500
	4 Withdrew from bank for office use	100
	5 Credit sales to Ram	150
	6 Credit purchase from Mohan	500

(OR)

b) From the following transactions, prepare a three column cash book.

2008		Rs.
Jan 1	Murthy started business	10,000
2	Opened current A/c with bank	9,000
6	paid kannan by cheque (Discount Rs.100)	4,000
10	cash sales	4,000
11	paid into bank	1,000
15	Manoj directly paid into our account	1,000
19	Purchased furniture by cheque	2,000
20	Received from Naveen	500
	Allowed discount	50
22	Withdrawn from bank	200
25	purchased goods and paid by cheque	800
31	paid salary by cheque	1,200

(CONT...4)

18. a) Correct the following Trial balance by identifying the errors

Debit Balances	Rs.	Credit balances	Rs.
Opening stock	10,000	Loan A/c(Cr)	15,000
Purchases	49,000	Sundry Debtors	42,000
Wages	15,000	Capital	50,000
Rent	1,000	Provision for bad Debts	2,800
Salaries	8,000	Sales Returns	2,000
General Expenses	900	Discount allowed	500
Plant	15,000		
Sundry Creditors	20,000		
Furniture	8,000		
Cash at Bank	5,000		
Sales	1,28,600		
Building	60,000		
	<u>3,20,500</u>		<u>1,12,300</u>

(OR)

b) A trader maintains Petty Cash book under Imprest system. Record the following transactions in his Petty Cash Book “

2015

September 1	Received fro petty expenses	500
2	Postage	40
5	Stationary	25
8	Advertising	50
12	Wages	20
16	Carriage	15
20	Conveyance	22
25	Travelling expenses	80
27	Postage	50
28	Telegram	35

19.a) From the following trial balance, prepare final a/c for the year ended 31.12.2020.

	Rs.	Rs.
Stock on 1.1.70	5,200	—
Capital	—	40,000
Sales	—	25,000
Purchases	15,000	—
Salaries	2,000	—
Rent	1,500	—
Insurance	300	—
Drawings	5,000	—
Machinery	28,000	—
Bank	4,500	—
Cash	2,000	—
Debtors	2,500	—
Creditors	—	1,000
	<u>66,000</u>	<u>66,000</u>

Adjustments:

- (i) Stock on hand at 31.12.70 – Rs.4,900
- (ii) Salaries owing – Rs.300
- (iii) Rent paid in advance – Rs.200
- (iv) Insurance paid in advance – Rs.90

(OR)

b) The following is the Trial Balance of Mr.Raja on 31<sup>st</sup> Dec.2016.

	Rs.		Rs.
Cash in hand	540	Sales	98,780
Cash at bank	2,630	Purchase returns	500
Purchases	40,675	Sundry creditors	6,300
Sales returns	680	Capital	71,000
Wages	8,480		
Fuel and Power	4,730		
Carriage on sales	3,200		
Carriage on Purchases	2,040		
Stock	5,760		
Building	30,000		
Freehold land	12,000		
Machinery	20,000		
Patents	7,500		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry debtors	14,500		
	<u>1,76,580</u>		<u>1,76,580</u>

Taking into account the following adjustment, prepare trading and P & L a/c and balance sheet.

- (i) Stock on hand on 31<sup>st</sup> Dec. 2016 is Rs.6,800
- (ii) Machinery is to be depreciated at the rate of 10% and patents at the rate of 20%
- (iii) Salaries outstanding Rs.1,500
- (iv) Insurance prepaid Rs.150.
- (v) Create a provision of 2% on debtors for bad debts

20.a) A machine purchased on 01.07.2003 at a cost of 14,000 and Rs.1,000 was spent on its installation. The depreciation is written off at 10% on the Original cost method. The books are closed on 31<sup>st</sup> December every year. The machine was sold for Rs.9,500 on 31<sup>st</sup> March 2006. Show the machinery account for all the years.

(OR)

b) A company whose accounting year is the calendar year purchased on 1<sup>st</sup> January 2003, a machine for Rs.40,000. It purchased further machinery on October 1<sup>st</sup> 2003 for Rs.20,000 and on 1<sup>st</sup> July 2004 for Rs.10,000. On 1<sup>st</sup> July 2005, 1/4<sup>th</sup> of the machine installed on January 1<sup>st</sup> 2003 became obsolete and was sold for Rs.6,800. Show how the machinery account would appear in the books of the company for all 3 years. Depreciation is to be provided at 10% p.a. under Written Down Value method

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