

**(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2024 ONLY)**

24UCC101

REG.NO. :

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : NOVEMBER-2024
COURSE NAME: B.Com.-C. A
SEMESTER: I**

**MAXIMUM MARKS: 75
TIME : 3 HOURS**

**PART - III
FINANCIAL ACCOUNTING**

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Trial balance can be prepared in _____.
a. single entry system. b. double entry system. c. accrual system. d. mercantile system.
2. If wages paid for the installation of new machinery is debited to the wages account, it is _____.
a an error of commission
c. a compensating error
b an error of principle
d. an error of omission
3. The main objective of providing depreciation is _____.
a. to calculate true profit.
c. to reduce tax burden.
b. to calculate financial position.
d. to reduce profit.
4. The departmental accounting enables a business firm to maximize _____.
a. profit. b. losses. c. cash. d. assets .
5. Branch which does not maintain its own set of books is _____.
a. dependent branch. b. independent branch. c. foreign branch. d. local branch .

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

6. Give the meaning of ledger.
7. Write down diminishing balance method.
8. State the meaning of passbook.
9. Define branch account.
10. List the methods of departmental accounting .

SECTION – B

(5 X 5 = 25 MARKS)

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

11.(a) Prepare trial balance from the following:

	Rs		Rs
Capital	9,000	Rent outstanding	1,000
Plant and	12,000	Opening stock	2,000
Machinery		Sales returns	4,000
Purchases	8,000	Investments	14,000
Sales	12,000	Debtors	12,000
Sundry			
Creditors	8,000		
Bank Loan	22,000		

(OR)

(b) Prepare necessary ledgers from the following data

2000		Rs.
Apr. 1	Sold goods to Kapil	6,000
5	Cash received from Kapil	5,800
	and allowed him discount	200
18	Kapil purchased goods	8,000
30	Received cash from Kapil on account	4,500
May 1	Balance from last month b/d	3,500
12	Sold goods to Kapil	12,000
22	Received cash from Kapil and allowed him discount	4,850
31	Received cash in full settlement of Kapil's A/c	150
		10,250

12.a) Prepare profit and loss account for the year ending on 31-3-1994.

	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
Stationery	75
Rent	650
Interest on loan	225
Repairs	125
Office expenses	55
General expenses	875
Postage	175
Printing Charge	375

(OR)

(b) A machine was purchased for Rs.30,000 on 1.1.86. IT is expected to last for 5 years. Estimated scrap at the end of five years is Rs.5,000. Find out the rate of depreciation under straight-line method.

(OR)

13.a) . Prepare a bank reconciliation statement from the following data as on 31-12-1995.

	Rs.
(a) Balance as per cash book	12,500
(b) Cheques issued but not presented for payment	900
(c) Cheques deposited in bank but not collected	1,200
(d) Bank paid insurance premium	500
(e) Direct deposit by a customer	800
(f) Interest on investment collected by bank	200
(g) Bank charges	100

(OR)

b) Correct the following errors found in the books of Mr. Dhandapani. The Trial Balance was out by Rs.986, excess credit. The difference has been posted to a suspense account.

- A sale of Rs.400 to Bobby & co., was wrongly credited to their account.
- A purchase of Rs.134 had been posted to the creditor's account as Rs.120
- The total of returns inward book for December had been cast Rs.200 short
- A cheque for Rs.400 received from Sandhya had been dishonoured and was posted to the debit of "Allowance account".

14.a) Loyal Shoe Company opened a branch at Madras on 1.1.1989. From the following particulars,

prepare the Madras Branch account for the years 1989 and 1990.

	1989 Rs.	1990 Rs.
Goods sent to madras Branch	15,000	45,000
Cash sent to Branch for		
Rent	1,800	1,800
Salaries	3,000	5,000
Other expenses	1,200	1,600
Cash received from the branch	24,000	60,000
Stock on 31 st December	2,300	5,800
Petty cash in hand on 31 st December	40	30

(OR)

b) Good Luck Ltd. opened a branch on 1-1-95 at Calcutta. The following information is supplied to you. Prepare Branch A/c.

	Rs.
Good Sent to Branch	50,000
Sales : Cash Rs.20,000 and credit Rs.36,000	56,000
Cash received from Debtors	32,000
Discount allowed to them	600
Cash sent to branch for expenses	7,000
Stock on 31-12-95	8,000
Debtors on 31-12-95	3,400

15.a) Point out the advantages of departmental accounting

(OR)

b) Rama Departmental stores has two departments A and B. From the following , prepare departmental trading account.

Purchases:

Dept. A	- 1,000 units.	}
Dept. B	- 2,000 units	

at total cost of Rs. 1,10,000

Opening Stock :

Dept . A	- 400 units.
Dept. B	- 600 units.

Sales:

Dept. A – 900 units @ Rs. 75 per unit.
Dept. B – 2,100 units @ Rs. 45 per unit.

Assume that G.P rate is uniform for both the departments

SECTION – C

(5 X 8 = 40 MARKS)

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

16. a) Enter the following transactions in a simple Cash Book of Sri. Subramanian.

1999		Rs.
Apr.1	Commenced business with Cash	24,000
5	Bought goods for Cash	6,000
10	Goods sold for Cash	11,200
13	Paid into bank	2,500
14	Sold goods to Ganesan on Credit	9,000
15	Bought goods from Mohan on credit	13,600
20	Purchased furniture	9,600
21	Purchased stationery	160
23	Received Cheque from Ganesan	9,000
25	Paid Mohan	13,600
26	Received Commission	740
27	Paid Telephone Charges	300
30	Drawn from Bank	3,800

(OR)

b) The following balances were extracted from the ledger of Ramakrishna engineering works on 31st march 1997. You are required to prepare a trial balance as on that date in proper form.

	Rs.		Rs.
Drawings	6,000	Salaries	9,500
Capital	24,000	Sales returns	1,000
Sundry creditors	43,000	Purchase returns	1,100
Bills payable	4,000	Travelling expenses	4,600
Sundry debtors	50,000	Communication paid	100
Bills receivable	5,200	Trading expenses	2,500
Loan from kartick	10,000	Discount earned	4,000
Furniture & fixtures	4,500	Rent	2,000
Opening stock	47,000	Bank overdraft	6,500
Cash in hand	900	Purchases	70,000
Cash at bank	12,500		
Tax	3,500		
Sales	1,28,000		

17.a) Prepare Trading, Profit and Loss A/c and Balance Sheet from the following Trial Balance of Mr. M. Madan.

Debit Balance	Rs.	Credit Balance	Rs.
Sundry Debtors	92,000	Madan's Capital	70,000
Plant & Machinery	20,000	Purchase Returns	2,600
Interest	430	Sales	2,50,000
Rent, Rates, Taxes & Insurance	5,600	Sundry Creditors	60,000
Conveyance charges	1,320	Bank Overdraft	20,000
Wages	7,000		
Sales returns	5,400		
Purchases	1,50,000		
Opening Stock	60,000		
Madan's Drawings	22,000		
Trade Expenses	1,350		

Debit Balance	Rs.	Credit Balance	Rs.
Salaries	11,200		
Advertising	840		
Discount	600		
Book Debts	800		
Business premises	12,000		
Furniture & Fixtures	10,000		
Cash in hand	2,060		
	4,02,600		4,02,600

Adjustments:

- i. Stock on hand on 31-12-96 Rs.90,000.
- ii. Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and furniture & fixtures at 10%.
- iii. Write off Rs.800 as further bad debts.
- iv. Provide for doubtful debts at 5% on sundry debtors.
- v. Outstanding rent was Rs.500 and outstanding wages Rs.400.
- vi. Prepaid insurance Rs.300 and prepaid salaries Rs.700.

(OR)

(b) A company whose accounting year is the calendar year, purchased a machine on 1-1-93 for Rs.40,000. It purchased further machinery on 1 st Oct. 1993 for Rs.20,000 and on 1st July 1994 for Rs.10,000. On 1-7-1995, $\frac{1}{4}$ th of the machinery installed on 1-1-1993 became obsolete and was sold for Rs.6,800.

Show how the machinery account would appear in the books of the company for all the 3 years under Diminishing Balance method. Depreciation is to be provided at 10% p.a.

18.(a) From the following particulars ascertain the bank balance as per bank pass book of Ramnath as on 31.12.1996.

1. Bank overdraft as per cash book on 31.12.96, Rs.6000
2. Interest on overdraft for six months ending 31.12.96, Rs.200 is debited in the pass book.
3. Cheques issued but not cashed before 31.12.96 amounted to Rs.1500.
4. Cheques deposited into bank but not cleared and credited before 31.12.96 Amounted to Rs.2500
5. Interest on investments collected by bank and credited in bank pass book amounted to Rs.1800.
6. Bills receivable which was dishonoured with the bank in November 1996, was debited by Rs.1050 including Rs.50 for bank charges.
7. The bank column of cash book receipts side was overcast by Rs.100 in December 1996.
8. Bank had wrongly debited Mr. Ramnath for Rs.500 on 10.12.1996, on account of dishonour of cheque pertaining to Mr. Ramgopal but rectified the said mistake on 30.12.96.

(OR)

b) Rectify the following errors:

- (i) Sales to Sridhar Rs.152, posted to his account as Rs.125.
- (ii) Purchased goods from Monohar Rs.550, credited as Rs.505.
- (iii) Received Bills Receivable from Seenu Rs.1,000, posted as Rs.100.
- (iv) Purchased furniture from Raghu Rs.404 on credit debited as Rs.440
- (v) Discount allowed Rs.64 to Anbu credited to his account as Rs.46.
- (vi) Discount received Rs.37 from Babu posted to his account as Rs.39.
- (vii) Purchased furniture on cash for Rs.2, 000 was not posted.

19.a) The Calcutta Commercial Company invoiced goods to its Jamshedpur Branch at cost. The Head office paid all the branch expenses from its bank except petty cash expenses which were paid by the branch. From the following details relating to the Branch, prepare,

- (1) Branch Stock A/c
- (2) Branch Debtors A/c
- (3) Branch Expenses A/c
- (4) Branch P & L A/c

	Rs.		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	
Goods sent from H.O.	78,000	customers to branch	1,500
Goods returned to H.O.	3,000	Salaries & Wages	18,600
Cash Sales	52,500	Rent & Rates	3,600
Advertisement	2,400	Debtors (Closing)	29,400
Cash received from debtors	85,500	Petty Cash (Closing)	300
Stock (Closing)	19,500	Credit Sales	85,200
Allowances to customers	600		

(OR)

b) Classify the various types of branch accounts.

20.a) The proprietor of a large retail store wished to ascertain approximately the net profit of the X, Y and Z departments separately for the three months ended 31st March 1996. It is found impracticable actually to take stock on that date, but an adequate system of departmental accounting is in use, and the normal rates of gross profit for the three departments concerned are respectively 40%, 30% and 20% on turnover before charging the direct expenses. The indirect expenses are charged in proportion to departmental turnover.

The following are the figures for the departments:

	X	Y	Z
	Rs.	Rs.	Rs.
Opening stock (1-1-96)	10,000	14,000	7,000
Purchases	12,000	13,500	9,700
Sales	20,000	18,000	16,000
Direct expenses	2,000	1,500	700

The total indirect expenses for the period (including those relating to other departments) were Rs.5,400 on the total turnover of Rs. 1,08,000.

Prepare a statement showing the approximate net profit, making a stock reserve of 10% for each department on the estimated value on 31-3-96.

(OR)

b) Describe the techniques of departmental accounting.
