(FOR THE CANDIDATES ADMITTED **SUBJECT CODE 25 UCO 101**

DURING THE ACADEMIC YEAR 2025 -2026 ONLY) **REG.NO.**

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

END-OF-SEMESTER EXAMINATIONS: NOVEMBER – 2025

B.Com. (AIDED & S.F.) **MAXIMUM MARKS: 75**

SEMESTER: I **TIME: 3 HOURS**

PART – III

FINANCIAL ACCOUNTING - I

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Which one is denotes trial balance?

   [a] Account balances are correct [b] Capital + Liabilities = Assets

   [c] No mistake in recording transactions [d] No mistake in posting entries in ledger a/c

2. Which one of the accounts salary paid to manager must be debited?

   [a] Manager's A/c [b] Office Expenses A/c

   [c] Salaries A/c [d] Trading A/c

3. How lessee denotes to royalty?

   [a] Income [b] Expenses

   [c] Receipts [d] Payments

4. Under what system, branch account prepared is nominal in nature?

   [a] Debtors system [b] Stock and Debtors system

   [c] Wholesale branch system [d] Final account system

5. In which year hire purchase Act is passed?

   [a] 1932 [b] 1956 [c] 1972 [d] 1872

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

6. What do you mean by Journal?
7. Define Depreciation
8. Recall the meaning of Single Entry System
9. How is Inter-Departmental Transfer playing a significant role?
10. Specify the term Hire Purchase

SECTION – B (5 X 5 = 25 MARKS)

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

11. a) Comparison between Book Keeping and Accounting

(OR)

(CONTD …. 2)

b) Journalize the following transactions:

March 1: Started business with cash ₹80,000

March 4: Purchased furniture for ₹10,000

March 7: Bought goods from Sohan ₹25,000 on credit

March 10: Paid wages ₹3,000

March 15: Sold goods to Ramesh ₹18,000 (credit)

March 18: Ramesh paid ₹10,000

March 22: Paid Sohan ₹15,000

March 25: Paid electricity bill ₹2,500

March 30: Deposited ₹5,000 into bank

12. a) Prepare profit and loss account for the year ending on 31.3.1995.

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 charges	375		

(OR)

b) 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 amount and rate of depreciation under the straight line method.

13. a) From the following particulars find out the net credit purchases

Particulars	Amount (Rs.)
Opening Balance of Sundry Creditors	40,000
Payment by Cheques	2,35,000
Payment by Bills Payable	25,000
Payment in Cash	5,000
Discount Received	2,500
Purchase Returns	5,000
Closing Balance of Sundry Creditors	47,500

(OR)

(CONTD …. 3)

b) On 1.1.2012, Rana collieries Ltd., leased a piece of land agreeing to pay minimum rent of Rs 2,000 in the first year, 4,000 in the second year and thereafter Rs 6,000 per annum, merging into a royalty of 40 paise per tonne, with power to recoup short workings over the first three years only.

The figures of annual output for the four years to 31st December 2015 were 1,000, 10,000, 18,000 and 20,000 tonnes respectively. Give short workings account for each of the three years in the books of Rana Ltd.

14. a) Siva Shoe Company opened a branch at Chennai on 1.1.1999. From the following particulars, prepare the Chennai branch account.

Particulars	**Amount (₹)**
Goods sent to Chennai branch	45,000
Cash sent to branch for	
Rent	1,800
Salaries	3,000
Other expenses	1,200
Cash received from branch	60,000
Stock on 31st December	5,800
Petty cash in hand on 31st December	30

(OR)

b) Compute Opening branch debtors balance from the following details:

Particulars	**Amount (₹)**
Credit sales	51,000
Received from debtors by the branch	42,500
Branch debtors(closing)	7,700
Discount allowed to customers by branch	1,800

15. a) Kumar purchased a typewriter on hire purchase system. As per terms, he is required to pay ₹800 down, ₹400 at the end of the first year, ₹300 at the end of second year and ₹700 at the end of the third year. Interest is charged @5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.

b) Give a brief note on (i) Complete Repossession (ii) Partial Repossession

(CONTD …. 4)

SECTION – C (5 X 8 = 40 MARKS)

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

(K4 (Or) K5)

16. a) Following are the ledger balances of Sri Rao. You are asked to prepare trial balance as on 30.12.2017

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening stock	10000	Capital	60000
Salaries	5000	Creditors	10000
Bills Payable	5000	Loan from Krishna	25000
Cash in hand	12000	Discount Allowed	700
Bank overdraft	4000	Accrued Interest Payable	5000
Debtors	15000	Purchases	30000
Cash at Bank	18000	Reserve for bad debts	1200
Sales	80000	Trade expenses	500
Wages	1000	Outstanding Salaries	2000
Prepaid Insurance	2500	Plant & Machineries	90000
Depreciation on Plant	8000	Outstanding Interest on Overdraft	500

(OR)

b) Classify briefly the basic accounting concepts with diagrammatic representation

17. a) From the following Trial Balance of Mr. Rehman as on 31st March 2012, Prepare Trading and Profit & Loss Account and Balance Sheet taking into account the adjustments:

Debit Balances	Amount (Rs)	Credit Balances	Amount (Rs)
Land & Buildings	42000	Capital	62000
Machinery	20000	Sales	98780
Patents	7500	Return Outwards	500
Stock 1-4-2011	5760	Sundry Creditors	6300
Sundry Debtors	14500	Bills payable	9000
Purchases	40675		
Cash in hand	540		
Cash at Bank	2630		
Return Inwards	680		
Wages	8480		
Fuel & Power	4730		
Carriage on Sales	3200		
Carriage on Purchases	2040		
Salaries	15000		
General Expenses	3000		
Insurance	600		
Drawings	5245		
Total	**1,76,580**	**Total**	**1,76,580**

(CONTD …. 5)

Adjustments:

a) Stock on 31-3-2012 was Rs.6,800
b) Salary Outstanding Rs.1,500
c) Insurance Prepaid Rs.150
d) Depreciate Machinery @ 10% and Patents @ 20%
e) Create a Provision of 2 % on debtors for bad debts

(OR)

b) A Second-Hand Machine was purchased on 1-1-90 for Rs.30,000 and repair charges amounted to Rs.6,000. It was installed at a cost of Rs.4,000. On 1st July 1991, another machine was purchased for Rs.26,000. On 1st July 1992 the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31-12-1992, the machine bought on 1st July 1991 was sold for Rs.23,000. Accounts are closed every year on 31st December. Depreciation is written off at15% per annum. Prepare the Machinery account for 3 years ending 31-12-1992

18. a) Mr.Raj keeps his books of accounts under single entry system. His financial position on 31.12.16 and 31.12.17 was as follows:

Particulars	Year -2016 (Rs)	Year -2017 (Rs)
Cash	9,860	800
Stock in trade	38,520	57,020
Plant & Machinery	54,420	61,000
Bills Receivable	-	16,480
Sundry Debtors	24,840	43,940
Sundry Creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-	5,000

During the year he introduced additional capital of Rs.20,000. From the above particulars prepare a statement of Profit & Loss of Mr.Raj for the year ended 31.12.17

(OR)

b) Poorna company limited acquired of a mine at a minimum rent of Rs 10,000 p.a. The royalty was fixed at Re.0.50 per tonne, Short workings could be recouped within three years following the year in which the short workings occur. If there is stoppage of production due to strike in any year, the minimum rent would be proportionately reduced in regard to the length of the stoppage.

The output (in tonne) of the mine was as follows:

Year	Output	Year	Output
2008	8,000	2011	26,000
2009	12,500	2012	17,000(Strike)
2010	21,500	2013	30,000

During 2012, there was strike lasting for 3 months. Show the necessary ledger accounts for each of the years in the books of the company.

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

(i) Branch Stock a/c (ii) Branch Debtors a/c

(iii) Branch Expenses a/c (iv) Branch P&L a/c

(CONTD …. 6)

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Stock (opening)	21,000	Allowances to Customers	600
Debtors (Opening)	37,800	Discount to Customers	4,200
Petty cash (Opening)	600	Bad Debts	1,800
Goods sent from H.O	78,000	Goods returned by 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

(OR)

b) A company carries on its business through five departments viz A,B,C,D and E. The Trial Balance on 31-12-84 was as follows:

Particulars	Dept A (Rs)	Dept B (Rs)	Dept C (Rs)	Dept D (Rs)	Dept E (Rs)
Opening Stock	5,000	3,000	2,500	4,000	4,500
Purchases	50,000	30,000	10,000	26,000	30,000
Sales	48,000	21,000	9,500	23,000	30,000
Closing Stock	6,000	4,000	3,500	3,500	5,500

The opening and closing stock have been valued at cost. The expenses, which are to be charged to each department in proportion to the cost of goods sold in the respective departments, are as follow:

Salaries and Commission Rs.5,510
Rent and Rates Rs.1,450
Miscellaneous Expenses Rs.1,305
Insurance Rs. 580

Show the final result and the percentage on sales in each department and also the combined result with percentage on sales.

20. a) Differentiate between Hire purchase system and Instalment System

(OR)

b) Malan purchased a machine on Hire Purchase system on 1st January 2019. The terms of payment are four annual installments of Rs.12,690 at the end of each year. Interest is charged @5% and is included in the annual payment of Rs.12,690.
Show Machinery account and Hire Vendor account in the books of Akash who defaulted in the payment of the third yearly payment whereupon the vendor repossessed the machinery. Akash provides depreciation on the machinery @10% p.a. on the reducing balance.

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