(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2025-26 ONLY)

SUBJECT CODE 25 UEC 101

REG.NO.

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

END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2025

B.Com.-E.COMMERCE **MAXIMUM MARKS: 75**

I SEMESTER **TIME : 3 HOURS**

PART – III

PRINCIPLES OF ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. **(K1)**

1. The process of transferring entries from the journal to the ledger is called -------------
   a) Casting b) Posting c) Balancing d) Closing
2. Under the sinking fund method, the amount set aside annually is ---------------
   a) Invested outside the business b) Kept in the cash box
   c) Used for day-to-day expenses d) Used for paying creditors
3. A Bank Reconciliation Statement is prepared by ---------------
   a) Banker b) Customer c) Accountant of the business d) Government
4. Under hire purchase, ownership of goods is transferred ---------------
   a) Immediately on signing the agreement b) After payment of last installment
   c) After down payment d) On delivery of goods
5. The period between the date of drawing the bill and its maturity is called ---------------
   a) Grace period b) Term of bill c) Discount period d) Due date

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

6. Write the main purpose of final accounts.
7. What is meant by obsolescence?
8. Give any two examples of errors of principle.
9. State any two features of installment system.
10. State the meaning of dishonor of a bill.

SECTION – B (5 X 5 = 25 MARKS)

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

11. a) Explain the differences between a journal and a ledger.

(OR)

b) Show the Journal entries for the following transactions.

S. No.	Particulars
1.	Purchased goods for cash Rs.10000
2.	Sold goods for cash Rs.8000
3.	Paid rent to Krishnan, the landlord Rs.800
4.	Paid salary Rs.8000

(CONTD …. 2)

ETHICAL PAPER

12. a) Describe the features of depreciation.

(OR)

b) A machine purchased on 1st July 2003 at a cost of Rs.14000 and Rs.1000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs.9500 on 31st March 2006. Show the machinery account for all the years.

13. a) State the objectives of preparing a Bank Reconciliation Statement.

(OR)

b) Display the preparation of Bank Reconciliation Statement:

Particulars	**Rs.**
Credit balance (overdraft) as per cash book as on 31.1.2006	7100
Cheques drawn but not presented for payment	2300
Interest on overdraft not recorded in the cash book	150

14. a) State the differences between hire purchase system and installment purchase system

(OR)

b) Ramu purchases a motor car from Bharath whose cash price is Rs.56000 on 01.01.2013. Rs.15000 is paid on signing the contract and the balance is to be paid in three equal annual installments of Rs.15000 each. The rate of interest is 5% p.a. Calculate the amount of interest included in each installment.

15. a) State the essential features of a bill of exchange.

(OR)

b) On 1.1.2009, Jaya sold goods to Devi on credit for Rs.2000 and drew a bill on Devi for Rs.2000 for three months after the date. Devi accepted it on 3.1.2009 and returned it to Jaya. On maturity, the bill was duly honoured by Devi.
Show the Journal entries in the books of Jaya.

SECTION – C (5 X 8 = 40 MARKS)

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

(K4 (Or) K5)

16. a) Explain the accounting concepts and conventions.

(OR)

b) Exhibit the Furniture A/c from the following information.

Date	Particulars	Amount in Rs.
2002, Jan 1	Furniture in hand	2000
Jan. 1	Purchased furniture	4000
Jan. 30	Sold furniture	400
Dec.31	Depreciate furniture including addition @ 10%.	

(CONTD …. 3)

17. a) Explain the procedure for charging depreciation under the Annuity Method with an example.

(OR)

b) George company Limited purchased a machine on 1st January 2005 for Rs.50000. On 1st July 2005, further machinery was purchased for Rs.25000. On 1st July 2006, the machinery purchased on 1st January 2005 having become obsolete, was sold off for Rs.20000. Depreciation has to be charged at 20% on the original cost assuming that the accounts are closed every year on 31st December.

You are required to prepare machinery account and Provision for depreciation account.

18. a) Analyse the impact of errors on final accounts and the need for rectification.

(OR)

b) Demonstrate the Preparation of Bank Reconciliation Statement.

Particulars	**Rs.**
Balance as per Pass book (Cr.) (31.12.2011)	9000
Cheques issued but not presented	15000
Cheques deposited but not credited	1500
Bank has given credit for interest	150

19. a) Explain the legal provisions relating to hire purchase agreement.

(OR)

b) Arul purchased a machinery under Hire purchase system from Mr. Balu. The cash price of the machinery was Rs.15000. The payment for the purchase is to be made as follows: On signing the agreement Rs.3000; End of the first year Rs.5000; End of the second year Rs.5000 and the end of the third year Rs.5000. Calculate the amount of interest included in each installment.

20. a) Explain the differences between a bill of exchange and a promissory note.

(OR)

b) Mala purchased goods for Rs.3000 from Kala on 1.4.2009. Mala accepted a three months' bill for the amount and gave it to Kala, the same day. Kala discounted it immediately with Indian Bank at discount of 5% p.a. On due date, the bill was honoured by payment.

Show the journal entries in the books of Kala.

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