

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

**END-OF-SEMESTER EXAMINATIONS: DECEMBER – 2022**

**B.Com. E-COMMERCE**

**MAXIMUM MARKS: 50**

**SEMESTER -I**

**TIME: 3 HOURS**

**PART - III**

**PRINCIPLES ACCOUNTING**

**SECTION - A**

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

**ANSWER THE FOLLOWING QUESTIONS.**

**MULTIPLE CHOICE QUESTIONS.**

**(K1)**

1. All personal, real and nominal accounts are opened in.....

- a) Single entry system                      b) Double entry system
- c) Accrual system                              d) Mercantile system.

2. Depreciation is provided on.....

- a) Fixed assets                                  b) Current assets
- c) Intangible assets                              d) None of these.

3. A bank reconciliation statement is prepared by.....

- a) Banker    b) Accountant of the business
- c) Auditors                                        d) Registrar.

4. Under hire purchase system the buyer is called.....

- a) Buyer    b) Hirer
- c) Hire vendor                                      d) Debtor.

5. The acceptor of bill of exchange is called.....

- a) Drawee    b) Drawer
- c) Payee    d) Endorsee.

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

**(K2)**

6. What do you mean by journal?

7. What are the methods of depreciation?

8. Who prepares bank reconciliation system?

9. What is down payment?

10. What is renewal of bill?

**SECTION – B****(5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Enter the following transactions in the books of Mr. Ganesan.

2007 January

- 1 Started business with cash Rs. 25,000
- 2 Deposited into bank Rs. 23,500
- 3 Paid rent Rs. 2,800
- 4 Cash purchase Rs. 5,000
- 5 Sold goods to Ramu Rs. 150

**(OR)**

11. b) Prepare Trading of Archana for the year ending 31.12.96 from the following information:

	Rs.
Opening stock	80,000
Purchases	8,60,000
Freight inward	52,000
Wages	24,000
Sales	14,40,000
Purchase returns	10,000
Sales returns	3,16,000
Closing stock	1,00,000
Import duty	30,000

12. 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)**

12. b) A company acquired a machine on 1.1.88 at a cost of Rs. 40,000 and spent Rs. 1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31<sup>st</sup> December of each year. Show the machinery A/c for 3 years.

13. a) The bank Overdraft of Mr. Rajini on 31.12.93 as per cashbook is Rs. 9,000. From the following particulars, prepare bank reconciliation statement.

	Rs.
i. Unpresented cheques	3,000
ii. Uncleared cheques	1,700
iii. Bank interest debited in the pass book only	500
iv. Bills collected and credited in the pass book only	800
v. Cheque of Renu dishonoured	500
vi. Cheque issued to Sekar entered in the cash column of the cash book	300

**(OR)**

13. b) Rectify the following errors:

- a) Purchases book is over cast by Rs. 300 (for the month of March)
- b) Sales book has been under cast by Rs. 200
- c) Purchase returns book has been over cast by Rs. 75
- d) Sales returns book has been under cast by Rs. 50

14. 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 year's instalment.

(OR)

- b) Explain the contents of hire purchase agreement.
15. a) List the features of bill of exchange.
- (OR)
- b) Mala purchased goods for Rs.3,000 from Kala on 1-4-1999. 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.

You are required to give entries in the books of all the parties.

### SECTION - C

(5 X 5 = 25 MARKS)

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4/K5)**

16. a) Briefly explain the basic accounting concept.

(OR)

- b) From the following balances prepare Trading and Profit and Loss account for the year ending 31.12.2006 and Balance sheet as on that date.

Debit Balance	Rs.	Credit Balance	Rs.
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000
Sundry expenses	600		
Purchases	25,000		
Building	2,500		
Bank balance	5,600		
	<b>81,500</b>		<b>81,500</b>

### Adjustments:

- a) Closing stock Rs.900
- b) Salary outstanding amounted to Rs.1,100
- c) Rent paid in advance Rs.100
- d) Provide 5% for doubtful debt against debtors.

(CONTD.....4)

17. a) Distinguish between straight-line method and written down value method.

(OR)

- b) A firm purchases a 5 years' lease for Rs.80,000 on 1<sup>st</sup> January. It decides to write off depreciation on the Annuity method, presuming the rate of interest to be 5% per annum. The annuity tables show that a sum of Rs.18,478 should be written off every year. Show the lease account for five years. Calculations are to be made to the nearest rupee.
18. a) On 31<sup>st</sup> march 2006 the Pass Book showed the credit balance of Rs.10,500. Given that:
- i) Cheques amounting to Rs.2,750 were deposited in the bank but only cheques for Rs. 750 had not been cleared up to 31<sup>st</sup> march.
  - ii) Cheques amounting to Rs.3,500 were issued, but cheques for Rs.1,200 had not been presented for payment in the bank up to 31<sup>st</sup> march.
  - iii) Bank had given the debit of Rs.35 for sundry charges.
  - iv) Bank had received directly from customer Rs.800 and dividend of Rs.130 up to 31<sup>st</sup> march.
- Find out the balance as per cash book.

(OR)

- b) Discuss the different types of error.
19. a) X purchased 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) Ram Co. Ltd. Trades in refrigerators on hire purchase system and the accountant furnished the following information for the year 1995:

		Rs.
1.1.95	Stock in shop	30,000
	Instalments due and unpaid	18,000
	Stock out with customers at H.P. Price	2,40,000
31.12.95	Stock in shop	42,000
	Instalments due and unpaid	30,000
	Stock out with customers at H.P. Price	2,76,000
	Cash received during the year	4,80,000

He has further stated that the company makes a gross profit of one third on cost. You are required to prepare the relevant accounts to ascertain profit for the year.

20. a) Distinguish between Bill of exchange and Promissory note.

(OR)

b) Gani sold good to Mani for Rs.3,000 on credit on 1-4-1999. For this purpose, Gani drew a bill on Mani for Rs.3,000 for 3 months. Mani accepted the same and returned it to Gani. On maturity, the bill was dishonoured by Mani. Show the entries in the books of both the parties under each of the following circumstances:

- (i) If Gani retained the bill till maturity
- (ii) If Gani discounted the bill by the bank at 18% p.a.
- (iii) If Gani endorsed the bill to his creditor Anil
- (iv) If Gani sent the bill to the bank for collection.

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