

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2022 ONLY)

(NO OF PAGES: 6)

22UCF101

REG.NO

NGM COLLEGE (AUTONOMOUS) POLLACHI

END-OF-SEMESTER EXAMINATIONS: DECEMBER- 2022

B.COM-Finance

MAXIMUM MARKS: 50

I SEMESTER

TIME: 3 HOURS

**PART - III**

**FINANCIAL ACCOUNTING - I**

**SECTION – A**

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

**ANSWER THE FOLLOWING QUESTIONS.**

**(K1)**

1. Value of goods withdrawn by the proprietor for his personal use should be credited to\_\_\_\_\_  
a) Capital A/c.                      b) Sales A/c.                      c) Drawings A/c.                      d) Purchases A/c.
2. Which of the following should be charged in the profit & loss account?  
a) Carriage on raw materials                      b) Work in Progress  
c) Office rent                      d) Direct Materials
3. Bank reconciliation statement compares a bank statement with \_\_\_\_\_.  
a) Cash Payment journal                      b) Cash receipt journal  
c) Financial statements                      d) Cash book
4. When an asset is acquired on hire purchase system, the asset account is debited with \_ \_\_\_\_\_  
of the assets in the books of the hire purchaser.  
a) Hire purchase price                      b) Cash price                      c) Instalment price                      d)Forfeiture
5. Short working is \_\_\_\_\_.  
a) Excess of minimum rent over the actual royalties.  
b) Excess of actual royalties over the minimum rent.  
c) Excess of actual output over the standard output.  
d) Excess of standard output over the actual output.

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

**(K2)**

6. What are three kinds of Accounts? What are the ‘rules’ governing ‘Debiting’ and ‘Crediting’ of those accounts?
7. Describe any three causes for depreciation.
8. What is “Deposit in transit” in bank reconciliation?
9. Write any one point between hire purchase vs ‘normal’ purchase?.
10. What is minimum rent?

ETHICAL PAPER

(CONTD.....2)

**SECTION – B****(5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.****(Qn. No. 11 to 15 Questions for Short Answers with internal choices)****(K3)**

11. a) Journalise the following transactions in the books of X Ltd., of Coimbatore:

Date (2016)	Particulars
1 Oct	Commenced business with Rs.50,000
3 Oct	Purchased goods for cash Rs.10,000 at 5% trade discount.
4 Oct	Paid Carriage Rs.50
8 Oct	Purchased machinery for Rs.20,000
10 Oct	Sold goods to Madan on account for Rs.15,000

**(OR)**

- b) Enter the following transactions in a Simple Cash Book:

Date	Particulars	Amount
Jan 1 2003	Cash in hand	22,400
Jan 5	Received from Aravind	600
Jan 7	Paid Rent	60
Jan 8	Sold goods	600
Jan 10	Paid Prabhu	1,400
Jan 27	Purchased furniture	400
Jan 31	Paid Salaries	200

12. a) From the following balance extracted at the close of the year ended 31<sup>st</sup> Dec. 1996, prepare Profit & Loss account of Mr. Raju as at that date:

Particulars	Amount
Gross profit	55,000
Carriage on sales	500
Office Rent	500
General expenses	900
Discount to customers	360
Interest from bank	200
Travelling expenses	700
Salaries	900
Commission	300

**(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 rate of depreciation under the straight line method.

13. a) On 31.12.2013, P. Roy's Bank Balance as shown by the Cash Book was Rs.75,000. On receipt of Bank statement, it was found that:
- (i) Three Cheques of Rs. 3,000, Rs.4,000 and Rs.1,500 drawn in favour of suppliers respectively on 28<sup>th</sup>, 29<sup>th</sup> and 30<sup>th</sup> December, 2013 had been debited in the Bank statement on 2<sup>nd</sup> January 2014.
  - (ii) The Bank had credited Rs.8,000 on 30<sup>th</sup> December, 2013 in respect of collection made by bank directly from a customer, the intimation not having yet been received.
  - (iii) Two cheques of Rs.5,000 and Rs.6,000 were deposited into Bank on 30<sup>th</sup> December, 2013 had been credited in the bank statement on 4<sup>th</sup> January 2014.
  - (iv) The Bank had debited Rs.30 as incidental charges on 30<sup>th</sup> December, 2013 but not entered in the cash book.

Show the reconciliation of the Bank Balance as per Cash Book with the Bank Balance as per bank statement as on 31<sup>st</sup> December 2013.

**(CONTD.....3)**

(OR)

b) From the following information ascertain opening stock:

Particulars	Rs.
Purchases made during 2010	2,50,000
Sales made during 2010	3,25,000
Stock on 31.12.2010	60,000
Wages	3,000
Rate of gross profit on cost	25%

14. a) On 1.1.2000 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) X Purchased a typewriter on hire-purchase system. As per terms, he is required to pay Rs.800 down, Rs.400 at the end of the first year Rs.300 at the end of the second year and Rs.700 at the end of the third year. Interest is charged at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.

15. a) Calculate amount payable to the landlord from the following details:

Minimum Rent: Rs.10,000 p.a.

Actual Royalties: 2001 – Nil; 2002 – Rs.12,000; 2003 – Rs.8,000 (Strike); 2004 – Rs.9,000.

Shortworking are recoverable out of the royalties of the next year only. In case of strike, the actual royalties earned can be taken as minimum rent.

(OR)

b) Calculate the number of books sold by Pradeep publication from the following particulars assuming the royalties are payable on the basis of sales proceeds:

Year	No. of Books printed	Closing stock
2000	4,000	Nil
2001	8,000	500
2002	10,000	750
2003	12,000	1,000
2004	15,000	1,500

## SECTION – C

(5 X 5 = 25 MARKS)

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

(Qn. No. 16 to 20 Questions for Long Answers with internal choices)

(K4 (Or) K5)

16. a) Journalize the following transaction of M/s. Radha & Sons.

Date	Transaction	Amount
2000 Jan 1	Business started with cash	2,50,000
	Cash deposited with bank	1,50,000
Jan 3	Purchased machinery on credit from Rangan	50,000
Jan 6	Bought furniture from Ramesh for cash	25,000
Jan 12	Goods sold to Yesodha	22,500
Jan 13	Goods returned by Yesodha	2,500
Jan 15	Goods sold for cash	50,000
Jan 17	Bought goods for cash	25,000
Jan 20	Cash received from Yesodha	10,000
Jan 21	Cash paid to Ramola	20,000
Jan 25	Cash withdrawn from bank	50,000
Jan 29	Paid advertisement expenses	12,500
Jan 30	Bought office stationery for cash	5,000
Jan 31	Cash withdrawn from bank for personal use	6,250
	Paid salaries	15,000
	Paid Rent	2,500

(CONTD.....4)

(OR)

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

Particulars	Amount	Particulars	Amount
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	Commission paid	100
Bills receivable	5,200	Trading expenses	2,500
Loan from karthik	10,000	Discount earned	4,000
Furniture & fixtures	4,500	Rent	2,000
Opening stock	47,000	Bank overdraft	6,000
Cash in hand	900	Purchases	70,800
Cash at bank	12,500		
Tax	3,500		
Sales	1,28,000		

17. a)From the following Trial Balance, Prepare Trading, Profit & Loss A/c for the year ended 31.12.2014 and a Balance Sheet as on that date:

Trial Balance			
Particulars	Rs.	Particulars	Rs.
Purchases	11,870	Capital	8,000
Debtors	7,580	Bad debts recovered	250
Return inwards	450	Creditors	1,250
Bank deposit	2,750	Return outwards	350
Rent	360	Bank overdraft	1,570
Salaries	850	Sales	14,490
Travelling expenses	300	Bills payable	1,350
Cash	210		
Stock	2,450		
Discount allowed	40		
Drawing	600		
	27,460		27,460

**Adjustments:**

- The Closing stock on 31.12.2014 was Rs.4200.
- Write off Rs.80 as bad debts and create a reserve for bad debts at 5% on sundry debtors.
- Three months rent is outstanding.

(OR)

b)A machine purchased on 1<sup>st</sup> July 2014 at a cost of Rs.14,000 and Rs.1,000 was spend on its installation. The Depreciation is written off at 10% on the original cost every year. The books are enclosed on 31<sup>st</sup> December each year. The machine was sold for Rs.9,500 on 31<sup>st</sup> March 2017. Show the machinery account for all the years.

(CONTD.....5)

18. a) Mr. Suresh request you to ascertain the Bank balance as per the Pass book for January 2013, as his cash clerk reported a figure of Rs.11,515 (credit) as on 31.1.2013. Scrutiny revealed the following discrepancies:
- (i) Cheque issued and deposited by the cash clerk in January 2013, were Rs.15,000 and Rs.7,000 respectively. However, against the above, the bank had paid out and debited cheques worth Rs.9,000 and cleared and credited cheques worth Rs.4,000 only, by 31.01.2013.
  - (ii) A Customer had paid in Rs.6,400 directly into Suresh's Bank Account, the effect at which was missing in the Cash book.
  - (iii) Bank Commission of Rs.45 charged and interest earned Rs.1,400 on investments of Mr. Suresh, were only recorded in the Pass Book.
  - (iv) Total cash withdrawals of Rs.3,000 by self and bearer cheques for office use, were recorded erroneously as Rs.5,000 in the cash book.

(OR)

b) M/s. Ice Limited gives you the following information to find out (a) Total Sales and (b) Total Purchases:

Particulars	Rs.
Debtors as on 1.4.2014	70,000
Creditors as on 1.4.2014	81,000
Bills receivable received during the year	47,000
Bills payable issued during the year	53,000
Cash received from customers	1,56,000
Cash paid to suppliers	1,72,000
Bad debts recovered	16,000
Bills receivable endorsed to creditors	27,000
Bills receivables dishonored by customers	5,000
Discount allowed by supplies	7,000
Discount allowed to customers	9,000
Endorsed bills receivables dishonoured	3,000
Sales return	11,000
Bills receivable discounted	8,000
Discounted bills receivable dishonoured	2,000
Cash sales	1,68,500
Cash purchases	1,97,800
Debtors as on 31.3.2015	82,000
Creditors as on 31.3.2015	95,000

19. a) Delhi Ltd., purchased from Mumbai Ltd., three machine costing Rs.40,000 each on the hire-purchase system. Payment was to be made Rs.30,000 down and the reminder in three equal instalments together with interest at 5%. Delhi Ltd., write off depreciation @20% on the diminishing balance. It paid the instalment due at the end of the first year but could not pay the next.

Give the necessary ledger accounts in the books of both the parties for two years if the hire vendor took possession of all the three machines. The hire vendor spent Rs.5,800 on getting the machine thoroughly overhauled and sold them for Rs.70,000.

(OR)

b) Modern Furniture House sells goods on hire-purchase basis at cost plus 25%. From the following information obtained from its books, prepare Hire-purchase Trading Account for the year ended 31<sup>st</sup> March, 2015:

Particulars	1.4.2014	31.3.2015
Stock with Hire-purchases Customer (at hire purchase price)	1,00,000	1,25,000
Stock at shop	22,500	12,500
Instalments overdue	6,000	11,000
Instalments received during the year		2,95,000
Purchases during the year		2,50,000

20. a) A company leased a colliery on 1.1.2012 at a minimum rent of Rs.20,000 merging into a royalty of Rs.1.50 per tonne with power to recoup shortworkings over the first four years of the lease. The output of the colliery for the first four years was 9,000 tonnes, 12,000 tonnes, 16,000 tonnes and 20,000 tonnes respectively. Give journal entries for four years in the books of lessee.

(OR)

b) Mineral Ltd., leased a property from Sarkar at a royalty of Rs.1.50 per ton with a minimum rent of Rs.10,000 per annum. Each year's excess of minimum rent over royalties is recoverable out of royalties of next five years. In the event of a strike and the minimum rental not being reached, the lease provided that the actual royalties earned for the year discharged all rental obligation for the year.

The results of working of the property are given below:

Year	2011	2012	2013	2014	2015	2016	2017 (Strike year)	2018
Actual Royalty (Rs.)	Nil	3,300	9,000	11,100	14,000	15,000	8,000	15,200

Write up Minimum Rent account and Royalties account showing the amount charged to profit and loss account each year.