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**G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.**



**UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2024.**

(For those admitted in June 2023 and later)

**PROGRAMME AND BRANCH: B.Com., PROFESSIONAL ACCOUNTING**

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
I	PART - III	CORE-1	U23PA101	FINANCIAL ACCOUNTING - I

**Date & Session: 09.11.2024 / FN**

**Time : 3 hours**

**Maximum: 75 Marks**

Course Outcome	Bloom's K-level	Q. No.	SECTION – A (10 X 1 = 10 Marks) Answer <u>ALL</u> Questions.
CO1	K1	1.	Revenue is recognized when. a) Cash is received b) The product is shipped to the customer c) The transaction is recorded d) It is earned, regardless of cash receipt
CO1	K2	2.	The main purpose of preparing a Trial Balance is. a) To determine the net income or loss b) To check the arithmetical accuracy of ledger accounts c) To prepare financial statements d) To record daily transactions
CO2	K1	3.	Which of the following is a liability? a) Inventory b) Accounts Receivable c) Accounts Payable d) Owner's Capital
CO2	K2	4.	In a Balance Sheet, capital contributed by the owners of a company is classified as a) Current Liabilities b) Current Assets c) Equity d) Long-term Liabilities
CO3	K1	5.	Depreciation is an example of a) A Current liability b) A current asset c) An expense d) Revenue
CO3	K2	6.	A Bill of Exchange is a) A negotiable instrument ordering payment of money b) A loan agreement between two parties c) A receipt for goods delivered d) A promissory note
CO4	K1	7.	The Single Entry System is usually followed by a) Large companies b) Non-profit organizations c) Small businesses d) Government organizations
CO4	K2	8.	In the Single Entry System, how is profit generally determined? a) By comparing the opening and closing balance of capital b) By preparing a Profit and Loss Account c) By preparing a Cash Flow Statement d) By calculating total revenues minus total expenses

CO5	K1	9.	Royalties are usually calculated as a percentage of a) Total sales or revenues b) Fixed costs c) Cash flows d) Inventory																								
CO5	K2	10.	If the insurance company accepts an insurance claim, how is the amount received recorded? a) Credited to Insurance Claim Account b) Debited to Insurance Claim Account c) Credited to Profit and Loss Account d) Debited to Cash Account																								
<b>Course Outcome</b>	<b>Bloom's K-level</b>	<b>Q. No.</b>	<b>SECTION - B (5 X 5 = 25 Marks)</b> <b>Answer ALL Questions choosing either (a) or (b)</b>																								
CO5	K5	11a.	Evaluate the Accrual Concept and the Cash Concept in accounting. <b>(OR)</b>																								
CO5	K5	11b.	Interpret the different kinds of errors.																								
CO4	K4	12a.	From the following details, prepare a Trading Account for the year ending 31st March 2024: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Opening Stock</td> <td>50,000</td> </tr> <tr> <td>Purchases</td> <td>3,00,000</td> </tr> <tr> <td>Purchases Returns</td> <td>20,000</td> </tr> <tr> <td>Sales</td> <td>4,50,000</td> </tr> <tr> <td>Sales Returns</td> <td>30,000</td> </tr> <tr> <td>Wages</td> <td>40,000</td> </tr> <tr> <td>Carriage Inwards</td> <td>10,000</td> </tr> <tr> <td>Closing Stock</td> <td>70,000</td> </tr> </tbody> </table>	Particulars	Amount (Rs.)	Opening Stock	50,000	Purchases	3,00,000	Purchases Returns	20,000	Sales	4,50,000	Sales Returns	30,000	Wages	40,000	Carriage Inwards	10,000	Closing Stock	70,000						
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CO4	K4	12b.	<b>(OR)</b> From the following details, prepare a Balance Sheet as on 31 <sup>st</sup> March, 2024: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>3,00,000</td> </tr> <tr> <td>Drawings</td> <td>30,000</td> </tr> <tr> <td>Sundry Creditors</td> <td>70,000</td> </tr> <tr> <td>Bills Payable</td> <td>40,000</td> </tr> <tr> <td>Cash at Bank</td> <td>1,00,000</td> </tr> <tr> <td>Debtors</td> <td>60,000</td> </tr> <tr> <td>Stock</td> <td>90,000</td> </tr> <tr> <td>Furniture</td> <td>50,000</td> </tr> <tr> <td>Machinery</td> <td>90,000</td> </tr> <tr> <td>Prepaid Expenses</td> <td>10,000</td> </tr> <tr> <td>Outstanding Wages</td> <td>20,000</td> </tr> </tbody> </table>	Particulars	Amount (Rs.)	Capital	3,00,000	Drawings	30,000	Sundry Creditors	70,000	Bills Payable	40,000	Cash at Bank	1,00,000	Debtors	60,000	Stock	90,000	Furniture	50,000	Machinery	90,000	Prepaid Expenses	10,000	Outstanding Wages	20,000
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CO4	K4	13a.	A firm purchased plant & machinery on 1 <sup>st</sup> April, 2021 for Rs.1,00,000. Depreciation is written off at the rate of 10 per cent per annum under straight line method. The firm closes its books on 31 <sup>st</sup> December every year. Show the machinery account for 3 years.																								
CO4	K4	13b.	<b>(OR)</b> On 1st January 2024, A draws a bill of exchange on B for Rs. 50,000 for 3 months. B accepts the bill and returns it to A. On 4th March 2024, B pays the bill in full before the due date, and A allows him a rebate of Rs. 200. Prepare journal entries in the books of A and B.																								



			5 Bought furniture by cheque 700 8 Received furniture by cheque 3,300 Discount allowed 60 8 Cash Sales 2,500 9 Deposited into the bank 2,400 10 Cheques purchases 5,000 12 Received commission 150 15 Advertising expenses 120 18 Withdrew cash from bank 500 20 Received cheque from Murugan 1,250 Discount allowed 50 25 Drew for private use 500 28 Office expenses 125 31 Salaries paid by cheque 500 31 Paid rent by cheque 1,000 31 Purchased a typewriter by cheque 3,200																																																						
CO2	K4	17a.	Prepare final accounts from the following balances extracted from the books of Jain as on 31 <sup>st</sup> December, 2023. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Rs.</th> <th></th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td style="text-align: right;">20,000</td> <td>Office Salaries</td> <td style="text-align: right;">6,600</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">8,000</td> <td>Rent</td> <td style="text-align: right;">3,900</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">10,000</td> <td>Trade</td> <td style="text-align: right;">2,300</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">60,000</td> <td>Expenses</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">80,000</td> <td>Furniture</td> <td style="text-align: right;">2,400</td> </tr> <tr> <td>Opening Stock</td> <td style="text-align: right;">12,000</td> <td>Cash in hand</td> <td style="text-align: right;">4,800</td> </tr> <tr> <td></td> <td></td> <td>Drawings</td> <td></td> </tr> </tbody> </table> <p>Adjustments :</p> <ol style="list-style-type: none"> <li>1. Salaries outstanding for December 2023 amounting Rs. 600</li> <li>2. Rent paid in advance for January 2024 Rs. 300</li> <li>3. Depreciation on Furniture @ 10% p.a.</li> <li>4. Provide interest on capital for the year @ 5% p.a.</li> <li>5. Stock on 31<sup>st</sup> December, 2023 Rs.14,000</li> </ol> <p style="text-align: center;"><b>(OR)</b></p>		Rs.		Rs.	Capital	20,000	Office Salaries	6,600	Debtors	8,000	Rent	3,900	Creditors	10,000	Trade	2,300	Purchases	60,000	Expenses	10,000	Sales	80,000	Furniture	2,400	Opening Stock	12,000	Cash in hand	4,800			Drawings																							
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CO2	K4	17b.	The following is the Trial Balance of M/s. Kasturi Agencies as on 31 <sup>st</sup> March, 2023. Prepare Trading and Profit & Loss A/c for the year ended 31 <sup>st</sup> March, 2023 and a Balance Sheet as on that date : <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit (Rs.)</th> <th style="text-align: center;">Credit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td style="text-align: center;">-</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">15,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">18,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">7,500</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Motor van</td> <td style="text-align: right;">25,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Loan from Mr. A @ 12% interest</td> <td style="text-align: center;">-</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>Interest paid on above</td> <td style="text-align: right;">900</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Sales</td> <td style="text-align: center;">-</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">75,000</td> <td></td> </tr> <tr> <td>Opening Stock</td> <td style="text-align: right;">25,000</td> <td></td> </tr> <tr> <td>Establishment expenses</td> <td style="text-align: right;">15,000</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">2,000</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">1,000</td> <td></td> </tr> <tr> <td>Commission</td> <td style="text-align: center;">-</td> <td style="text-align: right;">7,500</td> </tr> <tr> <td>Sundry Debtors and Creditors</td> <td style="text-align: right;">28,100</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Bank Balance</td> <td style="text-align: right;">20,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">2,32,500</td> <td style="text-align: right; border-top: 1px solid black;">2,32,500</td> </tr> </tbody> </table>		Debit (Rs.)	Credit (Rs.)	Capital	-	1,00,000	Buildings	15,000	-	Drawings	18,000	-	Furniture	7,500	-	Motor van	25,000	-	Loan from Mr. A @ 12% interest	-	15,000	Interest paid on above	900	-	Sales	-	1,00,000	Purchases	75,000		Opening Stock	25,000		Establishment expenses	15,000		Wages	2,000		Insurance	1,000		Commission	-	7,500	Sundry Debtors and Creditors	28,100	10,000	Bank Balance	20,000			2,32,500	2,32,500
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			Adjustments : (a) The value of closing stock on 31 <sup>st</sup> March, 2023 was Rs.32,000 (b) Outstanding wages Rs.500 (c) Prepaid insurance Rs.300 (d) Commission received in advance Rs.800 (e) Allow interest on capital @ 10% p.a. (f) Depreciate Building by 2.5%, Furniture by 10% and Motor Van by 10% (g) Charge interest on drawings Rs.500 (h) Balance of interest due on the loan is also to be provided for.																											
CO3	K4	18a.	Latika for mutual accommodation draws a Bill for Rs.3,000 on Sumita. Latika discounted the Bill for Rs.2,925 and remits Rs.75 to Sumita. On the due date Latika is unable to remit her dues to Sumita to enable her to meet the Bill. She, however, accepts a Bill for Rs. 3,750 which Sumita discounts for Rs.3,525. Sumita sends Rs.175 to Latika. Latika becomes insolvent and a dividend of 80 paise in the ruppees is received from her estate. Pass Journal entries.																											
CO3	K4	18b.	<b>(OR)</b> On 1 <sup>st</sup> January, 2020, Machinery was purchased for Rs. 80,000. On 1 <sup>st</sup> January, 2021, additions were made to the machinery of Rs. 40,000. On 31 <sup>st</sup> March, 2022, machinery purchased on 1 <sup>st</sup> January, 2021, costing Rs. 12,000 was sold for Rs.11,000 and on 30 <sup>th</sup> June, 2022, machinery purchased on 1 <sup>st</sup> January, 2020 costing Rs. 32,000, was sold for Rs. 26,700. On 1 <sup>st</sup> October, 2022, additions were made to the amount of Rs. 20,000. Depreciation was provided at 10% p.a. on the Diminishing balance method. Show the Machinery a/c for the three years from 2020 to 2022 December 31 <sup>st</sup> .																											
CO4	K5	19a.	Following balances are extracted from the books of Joseph, who keeps incomplete records of his transactions : <table border="1" data-bbox="391 1205 1457 1581"> <thead> <tr> <th></th> <th>1<sup>st</sup> January, 2023 (Rs.)</th> <th>31<sup>st</sup> December, 2023 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Stock</td> <td>2,400</td> <td>3,000</td> </tr> <tr> <td>Debtors</td> <td>4,000</td> <td>3,200</td> </tr> <tr> <td>Creditors</td> <td>1,700</td> <td>3,900</td> </tr> <tr> <td>Cash in hand</td> <td>2,000</td> <td>3,800</td> </tr> <tr> <td>Bank overdraft</td> <td>2,400</td> <td>-</td> </tr> <tr> <td>Furniture</td> <td>800</td> <td>1,000</td> </tr> <tr> <td>Motor bike</td> <td>9,500</td> <td>9,500</td> </tr> <tr> <td>Bills Receivable</td> <td>2,000</td> <td>4,300</td> </tr> </tbody> </table>		1 <sup>st</sup> January, 2023 (Rs.)	31 <sup>st</sup> December, 2023 (Rs.)	Stock	2,400	3,000	Debtors	4,000	3,200	Creditors	1,700	3,900	Cash in hand	2,000	3,800	Bank overdraft	2,400	-	Furniture	800	1,000	Motor bike	9,500	9,500	Bills Receivable	2,000	4,300
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CO4	K5	19b.	Drawings during the year amounted Rs. 2,800. Depreciate Furniture @ 5% and write off Rs.500 on Motor Bike. Rs. 100 is irrevocable and a further provision of 5% for Doubtful Debts are to be provided. Further, a provision of Rs.200 in respect of bills are also to be provided. Ascertain the profit or loss for the year ended 31 <sup>st</sup> December, 2023 and prepare a Statement of Affairs as on that date. <b>(OR)</b> Ascertain credit purchase and credit sales from the following : <table border="1" data-bbox="614 1877 1294 2107"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Sundry Debtors on 1.1.2023</td> <td>12,800</td> </tr> <tr> <td>Sundry Debtors on 31.12.2023</td> <td>9,800</td> </tr> <tr> <td>Sundry Creditors on 1.1.2023</td> <td>7,600</td> </tr> <tr> <td>Sundry Creditors on 31.12.2023</td> <td>9,030</td> </tr> <tr> <td>Cash received from debtors</td> <td>6,400</td> </tr> </tbody> </table>		Rs.	Sundry Debtors on 1.1.2023	12,800	Sundry Debtors on 31.12.2023	9,800	Sundry Creditors on 1.1.2023	7,600	Sundry Creditors on 31.12.2023	9,030	Cash received from debtors	6,400															
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				Cash paid to creditors Discount allowed Discount received Bill received from debtors Acceptance given to creditors Bad debts Bills dishonoured by debtors	1,750 350 250 2,500 5,870 300 400	
CO5	K5	20a.	A company leased a colliery on 1 <sup>st</sup> January, 2012 at a Minimum Rent of Rs.20,000 per year, merging into a royalty of Rs. 1.50 per ton, with a power to recoup shortworkings over the first 3 years of the lease. The output of the colliery for the first four years is : 2012 9,000 tons 2013 12,000 tons 2014 16,000 tons 2015 20,000 tons Pass Journal entries in the lessee's book. <b>(OR)</b>			
CO5	K5	20b.	A fire occurred in the premises on 1.1.2020 and the business books and records were saved. The following information was obtained : Rs. Purchases for the year ending 30.6.2019 60,000 Sales for the year ending 30.6.2019 90,000 Purchases from 1.7.2019 to 31.12.2019 35,000 Sales from 1.7.2019 to 31.12.2019 50,000 Stock on 30.6.2019 28,000 Stock on 30.6.2018 40,000 Calculate the amount of claim to be presented to the Insurance Company in respect of the loss by fire.			