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(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **23 UPA 101**

DURING THE ACADEMIC YEAR 2023 ONLY)

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: NOVEMBER 2023

B.Com P.A

MAXIMUM MARKS: 75

SEMESTER: I

TIME: 3 HOURS

PART - III

FINANCIAL ACCOUNTING

SECTION - A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. This accounting concepts treats that the business has separate entity from its proprietor _____
a) Going concern concept b) Business entity concept
c) Money measurement concept d) Dual aspect concept
2. When pass book shows a debit balance, it means _____
a) Overdraft as per pass book b) Overdraft as per cash book
c) Journal d) Ledger
3. Depreciation is provided on _____
a) Fixed assets b) Current assets
c) Intangible assets d) Fictitious assets
4. Receipt and Payments A/c is _____
a) Nominal account b) Real account
c) Personal account d) Manufacturing account
5. The main objective of the average clause is to _____
a) Encourage full insurance b) Discourage under insurance
c) Encourage under insurance d) Discourage full insurance

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. Define 'Accounting'.
7. What is meant by 'Intangible Assets'?
8. Define 'Bill of Exchange'.
9. Write short notes on 'Legacy'.
10. What is 'Minimum Rent'?

SECTION – B

(5 X 5 = 25 MARKS)

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

(K3)

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11. a). Explain the various accounting conventions.

(OR)

b). State the classification of Errors.

12. a). From the following particulars, prepare Bank Reconciliation Statement data as on 31.03.2021.

a. Balance as per Pass Book Rs.2,400

b. Cheques issued to creditors amounting to Rs.1,340 were not presented to the bank before 31.03.2021.

c. Cheques amounting to Rs.1,900 deposited into bank were not collected and credited before 31.03.2021.

(OR)

b). Prepare Trading Account of Archana for the year ending 31.12.2020 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

13. a). A company acquired a machine on 1.1.2008 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 31st December of each year. Show the Machinery A/c for 3 years.

(OR)

b). On 01.01.2018, Jayanthi sold goods to Devi on credit for Rs. 2,000 and drew a bill on Devi for Rs.2,000 for 3 months after date. Devi accepted it on 03.01.2018 and returned it to Jayanthi. On Maturity, the bill was duly honoured by Devi. Pass journal entries in the books of drawer.

14. a). From the following particulars prepare a Receipts and Payments Account:

	Rs.
Cash in hand	100
Cash at bank	500
Subscription received	3,300
Donation received	260
Investment purchased	1,000
Rent paid	400
General expenses	210

Postage and stationary	70
Sundry expenses	30
Cash balance at close	20

(OR)

b). From the following particulars, prepare Income and Expenditure A/c of the Central sports society for the twelve months from April 2008 (Date of Inception) to 31 March 2009.

Particulars	Received or Paid Rs.	Outstanding on 31 March 2009 Rs.
Subscription from members	4,600	-
Subscription from affiliated societies	1,400	200
Life subscription (10 Years)	2,000	-
Gifts received	3,000	-
Interest received	160	-
Committee expenditure:		
Executive	1,500	200
Planning	1,440	640
Tournament	420	120
Printing, postage and stationary	1,140	160
Office furniture	2,000	-
Investments purchased	3,000	-

15. a). From the following information compute shortworkings, shortworkings recouped and shortworkings lapsed:

Royalty: 50 paise per tonne of coal

Minimum Rent: Rs.30,000 p.a.

Output:

1st year – 10,000 tonnes

2nd year – 48,000 tonnes

3rd year – 80,000 tonnes

Short workings are recoverable during the first three years of lease.

(OR)

b). Calculate insurance claim from the following facts assuming that the insurers met their liability under the policy on 'average basis'.

A trader's stock valued at Rs.40,000 was totally destroyed. The stock in the godown was insured for Rs.30,000 subject to average clause. The balance of stock, left after fire, appeared in the books at Rs.24,000.

SECTION - C

(5 X 8 = 40 MARKS)

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

16. a). Briefly explain the difference accounting concepts.

(OR)

16. b). Saqlain Mustaq of Karachi is not an expert in accounting. He prepared the following trial balance. You are requested to correct it and prepare a corrected trial balance.

S.No.	Name of Account	Debit Balance (Rs.)	Credit Balance (Rs.)
1	Capital		15,560
2	Sales		27,560
3	Sales returns		980
4	Drawings	5,640	
5	Sundry debtors		5,300
6	Freehold premises	7,410	
7	Purchases	12,680	
8	Return outwards	2,640	
9	Loan from Sharma		2,500
10	Sundry Creditors	5,280	
11	Administration expenses	7,840	
12	Cash in hand	1,420	
13	Bills payable	1,000	
14	Wages	5,980	
15	Opening stock		2,640
16	Factory expenses	4,650	
		54,540	54,540

17. a). The bank overdraft of Rajini on 31.12.2013 as per cash book is Rs.9,000. From the following particulars, prepare bank reconciliation statement.

- Unpresented cheque Rs.3,000
- Uncleared cheque Rs.1,700
- Bank interest debited in the pass book only Rs.500
- Bill collected and credited in the pass book only Rs.800
- Cheque of Renu dishonoured Rs.500
- Cheques issued to Sekar entered in the cash column of cash book Rs.300.

(OR)

17. b). The following are the ledger balances extracted from the books of Weifa.

	Rs.		Rs.
Weifa's Capital	50,000	Sales	3,01,000
Bank Overdraft	8,400	Return inwards	5,000
Furniture	5,200	Discount (Cr.)	800
Business premises	40,000	Taxes & Insurance	4,000
Creditors	26,600	General Expenses	8,000
Opening Stock	44,000	Salaries	18,000
Debtors	36,000	Commission allowed	4,400
Rent from tenants	2,000	Carriage on purchases	3,600
Purchases	2,20,000	Provision for Doubtful debts	1,000
		Bad debts written off	1,600

Adjustments:

- a. Stock on hand on 31.12.2015 was estimated as Rs.40,120.
- b. Write off depreciation on business premises Rs.600 and furniture Rs.520.
- c. Make a provision of 5% on debtors for bad & doubtful debts.
- d. Allow interest on Capital at 5% and carry forward Rs.1,400 for unexpired insurance.

Prepare Final Accounts for the year ended 31.12.2015.

18. a). A machine purchased on 1st July 2003 at a cost of Rs.14,000 and Rs.1,000 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.9,500 on 31st March 2006. Show the machinery account for all the years.

(OR)

18. 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.

19. a). Distinction between Receipts and Payment Account and Income and Expenditure Account.

(OR)

19. b). From the following prepare an Income and Expenditure account for 2007.

Receipts	Rs.	Payments	Rs.
Opening Balance:		Salaries	4,800
Bank	1,800	Rent	500
Subscription		Stationary and postage	200
2006 500		Bicycle purchased	300
2007 8,300		National savings certificate	3,000
2008 600	9,400	Help to needy students	
Sale of investments	2,000	Balance :	2,000
Sale of old furniture (Bok value Rs.400)	300	Bank	2,700
	13,500		13,500

Subscription for 2007 still receivable were Rs.700. Interest due on savings certificates Rs.100 and rent unpaid but due was Rs.60.

20. a). A company acquired lease of a mine at a minimum rent of Rs.10,000 p.a. The royalty was fixed at Rs.0.50 per tonne. Shortworkings could be recouped within three years following the year in which the shortworkings 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 tonnes) of the mine was as follows:

Year	Output (in tonnes)
1978	8,000
1979	12,500
1980	21,500

1981	26,000
1982	17,000 (Strike)
1983	30,000

During 1982, there was strike lasting for 3 months. Show the necessary ledger accounts for each of the years in the books of the company.

(OR)

20. b). Fire occurred in the premises of Paswan on 10th May 2006. In order to make a claim on their fire policies in respect of the stock, they ask your advice and you are able to obtain the following information.

	2003 Rs.	2004 Rs.	2005 Rs.	2006 Rs.
Opening Stock	16,000	15,000	16,000	18,000
Purchases	41,000	47,200	56,600	78,000
Sales	60,000	66,000	78,000	99,000
Closing stock	15,000	16,000	18,000	?

The stock salvaged was Rs.3,800. Compute the amount of claim.