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(FOR THE CANDIDATES ADMITTED

SUB CODE **24UEO1A1**

DURING THE ACADEMIC YEAR 2024 ONLY)

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS : MAY 2024

B.A ECONOMICS

MAXIMUM MARKS: 75

SEMESTER: I

TIME : 3 HOURS

PART-III

BUSINESS ACCOUNTING.

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. What is double entry means?
(a).Entry in two sets of books (b). Entry in two pages (c). Entry for two aspects of a transaction. (d). Entry made two times.
- 2.Select the ‘goodwill means’
(a). A Current assets(b). An intangible asset (c). A tangible Assets (d). Fictitious Assets
- 3.Identify the depreciation is provided on
(a). fixed assets (b). Currents Assets (c). intangible Assets (d). Fictitious Assets.
4. Find the objectives of Cost Accounting.
(a). TaxCompliances (b). Cost Ascertainment (c). financial audit (d). Profit Analysis.
5. When was the term management Accounting coined?
(a).1950 (b).1970 (c).1940 (d).1931.

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

6. Define ‘Accounting’?
7. Explain the term ‘Net Profit’
8. Define ‘Depreciation’
9. Interpret ‘Cost Accounting’
10. Define ‘Management Accounting’

SECTION – B

(5 X 5 = 25 MARKS).

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

11. a). Assess the objectives of Accounting.
(OR)
b). Enter the following transaction in the books of Thiru.Ganesan 2007’ Jan.
 - 1.Started busness with Rs 25,000.
 - 2.Deposited into Bank Rs 23,500.
 - 3.Purchased furniture by issuing Cheque Rs 2,000.
 - 4.Cash Purchase Rs 3,000.
 - 5.Sold goods to Ramu Rs 5,000.

6. Goods worth Rs 250 taken from the shop for personal use.

12. a). From the following Trial Balance Prepare a Trading and Profit & Loss Account for the year ending 31st March-2009.

Stock 1 st April-2008	5,000	Rent, Rates and Taxes	800.
Wages	3,000	Salaries	2,000
Discounted allowed	200	Purchases	10,000
Bad debts	500	Office Expenses	2,500
Repairs	300	Interest received	600
Depreciation	1,000	Sales	17,000

On 31st March, 2009 the stock was valued at Rs 10,000.

(OR)

b). From the following information ascertain Gross Profit and Net Profit

Stock at starting	2,400	Carriage inwards	524.
Purchases	15,205	Manufacturing wages paid	2,800
Sales	20,860	Manufacturing wages owing	96
Closing Stock	3,840	Loss due to fire	1,000
Returns Outwards	185	Indirect expenses	200.

13. a). An Asset is Purchased for Rs 40,000. Depreciation is to be Provided annually according to the straight line method. The Useful life of the asset is 10 years and the residual value Rs 10,000. You are required to find out the rate of depreciation.

(OR)

b). An Asset is Purchased for Rs 25,000. Depreciation is to be Provided annually according to the straight-line method. The Useful of the assets is 10 years and the residual value is Rs 5,000.

You are required to find out the rate of depreciation and Prepare asset account for the first three years.

14. a). Prepare a Cost Sheet from the following:

	Rs
Raw material	10,000..
Labour	5,000
Direct expenses	5,000
Selling overhead	6,000
Factory on cost	10,000
Office expenses	8,000
Profit	20% on sales

(OR)

b). The following cost data are available from the books for the year ended 31-12-2013.

	Rs
Direct materials	9,00,000
Direct wages	7,50,000
Profit	6,09,000
Selling and distribution overheads	5,25,000
Administration overheads	4,20,000
Factory overheads	4,50,000

Prepare a cost sheet indicating the prime cost, work cost, Production cost, cost of sales and sales cost.

15. a). Interpret the Scope of the management Accounting.

(OR)

b). The expenses for budgeted production of 10,000 units in a factory are furnished below:

	Per unit Rs.
Direct materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (Rs. 50,000)	5

Total Cost per unit (to make or sell) 155

Prepare a flexible budget for the production of: 6,000 units indicate cost per unit.

SECTION – C

(5 X 8 = 40 MARKS)

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

16. a). Analyse the Concepts and conventions of Accounting.

(OR)

b). Journalise the following transaction:

1. Bought goods on Credit from John Rs 4,000.
2. Goods returned by Balu Rs 500.
3. Paid carriage inwards Rs 100.
4. Cheque Rs 1,400 received from Charles in settlement of a debt of Rs 1,500 returned dishonoured.
5. Paid insurance Rs 300.
6. Sale of Typewriter for Rs 300.
7. Rs 250 owing by main written off as bad debts.
8. Drew three months' bill of Nath for Rs 4,000.
9. Sold goods for Rs 2,500 to David on Credit.
10. Deposited Rs 2,500 into bank.

17. a). The following balances are extracted from the books of M/s Satyam & Co on 31st December 2003. Prepare Trading and Profit and Loss Account for the year ended and a Balance sheet as at that date:

Particulars	Debit Rs	Particulars	Credit Rs
Carriage outwards	580	Capital	7,160
Commission	320	Creditors	7,860
Carriage inwards	320	Commission	160
Wages	1,120	Bills Payable.	1,200
Purchases	15,600	Sales.	20,000
Insurance	440	Returns outwards	200
Rent & Rates	440		
Cash at Bank	1,900		
Return inwards	520		
Stationery.	180		
Interest on capital	280		
Stock on 1 st Jan' 2003.	400		
Bills Receivable	1,800		

Sundry Debtors	12,000		
Trade expenses	80		
Office expenses	400		
Cash in bank	200		
	36,580		36,580

The Closing Stock was valued at Rs 10,000.

(OR)

b). The following are the balances extracted from the books of Thiru Gokulnath as on 31-12-2006. Prepare Trading and Profit and Loss account for the year ended 31st December, 2006 and a balance sheet as on that date.

Particulars	Debit Rs	Particulars	Credit Rs
Office Rent	2,000	Capital	1,00,000
Wages	2,000	Sales.	90,000
Purchases	70,000	Purchase return.	1,000
Cash at Bank	4,000	Creditors	29,000
Sales Return	1,000		
Stock on 1 st Jan' 2006.	20,000		
Sundry Debtors	50,000		
Insurance	1,000		
Salaries	5,000		
Cash in bank	25,000		
Machinery	40,000		
	2,20,000		2,20,000

Adjustments:

- (1). Closing Stock is valued at Rs 20,000.
- (2). Outstanding salaries Rs 1,000.
- (3). Prepaid insurance Rs 500.
- (4). Bad debts Rs 1,000,
- (5). Provide 10% depreciation. On machinery

18. a). On 1st January, 2005, machinery was purchased by X for Rs. 50,000. On 1st July, 2006, addition were made to the extent of Rs. 10,000. On 1st April, 2007, further additions were made to the extent of Rs. 6,400

On 30th June, 2008 machinery, the original value of which was Rs. 8,000 on 1st January, 2005 was sold for Rs. 6,000. Depreciation is charged at 10% p.a. on original cost.

Show the machinery account for the years from 2005 to 2008 in the books of X, X closes his books on 31st December.

(OR)

b). On 1st January, 2003, a limited company purchased machinery for Rs 12,000 and on 30th June, 2004 it acquired additional machinery at a cost of Rs. 2,000. On 31st March, 2005 one of the original machines which had cost of Rs. 500 was found to have become obsolete and was sold as scrap for Rs. 50. It was replaced on that date by a new machine costing Rs 800
Depreciation to be provided at the rate of 15% p.a on the written down value. Show ledger accounts for the first three years.

19. a). From the following information, prepare a cost sheet for the month of January.

Rs.

Stock of raw materials on 1st January	25,000
Stock of raw materials on 31st January	26,200
Purchase of raw materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling overheads	4,200.

(OR)

b).The cost data of product 'A' are as follows:	Rs.
Materials used in manufacturing	55,000;
Materials used in primary packing	10,000
Materials used in selling the product	1,500;
Materials used in the factory	750
Materials used in the office	1,250
Labour required in production	10,000.
Labour required for factory supervision	2,000
Direct expenses	5,000
Indirect expenses (factory) 1,000	
Administration expenses	1,250
Depreciation on factory building	1,750
Depreciation on office building and equipment	750
Selling expenses	3,500;
Freight on materials purchased	5,000;
Advertising	1,250;

Assuming that all the products manufactured are sold, what should be the selling price to obtain a profit of 20% on selling price?

20. a).The following are the budgeted expenses for the production of 10,000 units.

Direct Materials	60.
Direct Labour	30
Variable overhead	25
Fixed overheads (Rs 1,50,000)	15
Variable expenses (10% fixed)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs 50,000 fixed).	5
Distribution expenses (20% fixed)	5

Total cost of sales per unit	----- 160 -----
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Prepare a flexible budget for production of 6000,7000 and 8,000 units.

(OR)

b). Using the information given below, Prepare a cash budget showing expected cash receipts and disbursement for the month of May and balance expected in May31, 2016.Expected cash balance May 2016 Rs 60,000.

Sales:

March : Rs 5,00,000.
April : Rs 3,00,000
May : Rs 8,00,000

Half collected in the months of sale, 40% in the next month, 10% in the third month.

Purchases:

April : Rs 2,50,000;
May : Rs 4,00,000;

40% paid in the month of purchase, 60% in the next month.

Wages due in May for Rs 88,000. Three years insurance policy due in May for renewal Rs 2,000 to be paid in cash. Other expenses for May, payable in May, Rs 44,000. Depreciation for the month of May Rs 2,000. Accrued taxes for May, payable in December, Rs 6,000. Fixed deposit receipts due May 15, Rs 1,75,000 plus Rs 10,000 interest.