

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

END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2024

B.Com. (AIDED & SF)

MAXIMUM MARKS: 75

SEMESTER : I

TIME : 3 HOURS

**PART – III
FINANCIAL ACCOUNTING**

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

(K1)

1. Relates the Real account to
(a). Assets (b). Income (c). Persons (d). Expenses.
2. Show the depreciation is the process of.....
(a). Allocation of cost of the assets to the period of the life.
(b). Valuation of the assets
(c). Sale of Assets
(d). maintenance of the assets
3. Interpret the “Single entry system” is.....
(a). not a systematic accounting (b). correct method of accounting
(c). Scientific method of accounting (d). a systematic accounting.
4. Indicate the Debtor system, Credit sales are.....
(a). Debited to the branch account. (b). Credited to the branch account.
(c). Not shown anywhere in the branch account (d). All of the above.
5. Which is hire purchase stock account?
(a). Personal Account (b). Nominal Account
(c). Real Account (d). None of the above

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2).

6. Define 'Accounting'
7. Explain “Depreciation”
8. Interpret the ‘Single entry System’
9. Infer the ‘Branch Accounting’
10. Show the ‘Hire purchase system’

SECTION – B

(5 X 5 = 25 MARKS)

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

11. (a). Describe the objectives of Accounting.

[OR]

- (b). Interpret the importance of ‘Accounting Standard’

(CONTD 2)

12. (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 year and the residual value is Rs. 10,000. You are required to find out the rate of depreciation.

[OR]

- (b). A machine was purchased on 1st January 2007 at a cost of Rs. 19,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10%, on the original cost method every year. The machine was sold for Rs. 10,000 on 30th September 2008. Show the Machinery account for the two years.

13. (a). Mr. Ram informs you that he had started a business on 1.1.2006 with a capital of Rs. 20,500 and on 31.12.2006 his capital was Rs. 32,800. Further, he informs you that he gave his son 2,000 and he withdraws Rs. 500 every month for personal purpose. He had a scooter, which had been sold for Rs. 5,000 and invested the same into the business. Further, there is no other information. Calculate the amount of profit made by him during the year 2006.

[OR]

- (b). The Bengal mines Co. Ltd. took from Mr. Dass a lease of a mine for a period of 25 years from 1-1-2016, on a royalty of Rs. 5 per tonne of mineral raised with a dead rent of Rs. 20,000 and power to recoup short workings during the first five years of the lease.

The annual outputs were as follows:

2016 -	2,000 Tonnes.
2017 -	3,000 Tonnes.
2018 -	4,000 Tonnes.
2019 -	4,500 Tonnes.
2020 -	5,000 Tonnes.

Give journal entries in the books of the Bengal Mines Company and in the books of Dass

14. (a).. Layal shoe company opened a branch at Madras on 1-1-2019. From the particulars, the madras branch account for the years 2019 and 2020.

	2019 (Rs.)	2020(Rs)
Goods sent to Madras Branch	15,000.	45,000
Cash sent to Branch for :		
Rent	1,800	1,800.
Salaries	3,000	5,000
Other expenses	1,200	1,600;
Cash received from the branch	24,000	60,000;
Stock on 31 st December	2,300	5,800
Petty cash in hand on 31 st Dec	40	30

[OR]

(CONTD 3)

- (b). Rama Departmental stores has two departments 'A' and 'B'. From the following, Prepare departmental trading account.

Purchase: Department 'A' – 1000 Units at a total cost Rs 1,10,000
 Department 'B' – 2,000 Units at a total cost Rs 1,10,000

Sales : Department 'A' --- 900 Units @ Rs 75 per unit.
 Department - 'B' --- 2,100 Unit @ Rs 45 per unit.

Opening Stock: 'A'—400 Units
 'B' --- 600 Units

Assume that Gross Profit rate is uniform for both the departments.

15. (a). Interpret the benefits of instalment system to buyer.

[OR]

- (b) 'S' purchased a machine on 1-1-2014 on H.P. system. The cash price of the machine is Rs.22,350, payable Rs. 6,000 on signing the agreement and the balance in three equal annual instalments of Rs. 6,000 at the end of each year. Vendor charges interest at 5% p.a. You are required to calculate the interest included in each instalment.

SECTION –C

(5 X 8 = 40 MARKS)

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

16. (a). Analyse the Accounting Concepts and Conventions..

[OR]

- (b). Journalise the following transactions.

2019 Jan. 1. Start business with Rs 50,000.

3. Purchased goods for Rs 14,000.

6. Sold goods for Rs 18,000.

8. Purchased goods from Mani for Rs 21,000.

10. Paid telephone rent by cheque Rs 500.

20. Withdrew from bank for business use Rs 3,500.

22. Paid into bank Rs 5,800;

23. Bought 50 shares in X Ltd at Rs 60 per share, brokerage paid Rs 20.

25. Goods worth Rs 1000 found defective were returned to Mani and the balance of the amount due to him was settled by issuing a cheque in his favour.

28. Sold 20 shares of X Ltd at Rs 65 per share, brokerage Rs 20.

17. (a). The following are the balances extracted from the books of ThiruGokulnath as on 31-12-2016. Prepare Trading and Profit and Loss account for the year ended 31st December 2016 and a balance sheet as on that date.

(CONTD 4)

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'2016.	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.

[OR].

- (b). On 1st Jan. 2013 machinery was purchased for Rs. 80,000. On 1st Jan 2014 additions were made to the machinery of Rs. 40,000. On, 31st March 2015, machinery purchased on 1st January 2014, costing Rs. 12,000 was sold for Rs. 11,000, and on 30th June 2015, machinery purchased on 1st Jan. 2013 costing Rs. 32,000, was sold for Rs. 26,700. On 1st Oct. 2015 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 account for the three years from 2013 to 2015 December 31st.

18. (a). Compare the "Single Entry system and Double entry system"

[OR]

- (b). On 1-1-2015 A Co. Ltd., took a coal field on lease from landlord B on a minimum rent of Rs. 2,000 per annum, merging into royalty of 25 paise per ton of coal raised. The company could recoup short workings during the first four years of the lease. On the same date, A Co. Ltd. granted a sub-lease of a part of the Coal field to sub lessee Con a royalty of 50 paise per ton merging into a minimum rent of Rs. 1,000 per annum with a right of recoupment of short workings during the two years following the year in which short working arises. Minerals were worked as follows:

Years	By A' Co Ltd.	By C	Total incomes
2015	4,000	1,000	5,000
2016	4,500	1,200	5,700
2017	5,200	2,700	7,900
2018	6,800	3,500	10,300
2019	7,000	4,800	11,800

Pass the necessary journal entries in the books of A & Co Ltd..

(CONTD 4)

19. (a). A Head office sends goods to its branch at 25% less than the list prices:
Goods are sold to customers at cost plus 60%. From the following particulars ascertain the profit made by the head office and by the branch.

	Head office	Branch
	Rs	Rs
Opening stock at Cost (at invoice price in case of branch)	50,000	30,000
Purchases	1,50,000	-----
Goods sent to branch	1,08,000	-----
Sales	1,60,000	80,000
Expenses	10,000	6,000.

[OR]

- (b). Following is the Profit and Loss Account of Hindustan Electronics for the year ending 31-03-23.

	Rs		Rs
Purchases:		Sales	
Transistors (X)	1,60,000	Transistors(X)	1,75,000
Tape Recorders(Y)	1,25,000	Tape Recorders(Y).	1,40,000
Repairs(Z)	80,000	Repairs(Z)	35,000
Salaries & wages	48,000	Stock at (31-03-23)	
Rent	10,800	Transistor (X)	60,100
Sundry expenses	11,000	Tape Recorders(Y)	20,300
Profit	40,200	Repairs(Z)	44,600
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	4,75,000		4,75,000
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Other Particulars are given below:

- (a). Transistors and tape recorders have been sold in show room and repairs are made in the factory.
- (b). Apportionment of salaries and wages i.e., showroom $\frac{3}{4}$ and factory $\frac{1}{4}$: salaries and wages of showroom are to be divided in 1:2 ratios in X and Y departments.
- (c). Rent of factory is Rs 500 p.m. Rent of Showroom is apportioned equally in X and Y departments.
- (d). Sundry expenses are apportioned in the sales ratio of the departments.
- Prepare departmental trading and Profit and Loss Account.

(CONTD 6)

20. (a). Trichy Boilers purchased three machines each costing Rs. 30,000 under hire-purchase arrangement from HMT. The terms are: Down payment is Rs. 40,000 and the balance is payable in 3 annual instalments of Rs. 40,000 each. The buyers depreciate the machine at 20% p.a. under straight line method. The first instalment was paid. For the default in the payment of second instalment HMT took over two machines at a valuation at 30% depreciation p.a. under written down value method. They have spent Rs. 3,700 on its repairs and sold both the machines for Rs. 55,000 for cash. Give the Ledger Accounts in the books of both the parties

[OR]

- (b). Ram purchased a van for Rs. 42,000. Payment is made as Rs. 10,000 down and four instalments of Rs. 10,000 each at the end of each year. Interest is charged at 10% per annum. Buyer depreciates the van at 10% p.a. on written down value method. Ram after having paid the down payment and first instalment at the end of first year, could not pay the second instalment and the hire vendor took possession of the van. The hire vendor after spending Rs. 1,280 on repairs of the van sold it for Rs. 31,000.

Show the Ledger Accounts in the books of Ram.