

Reg. No. :

Code No. : 12081 E Sub. Code : CMCO 11

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

First Semester

Commerce — Core

FINANCIAL ACCOUNTING — I

(For those who joined in July 2021–2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Trial balance is prepared _____
 - (a) at the end of the year
 - (b) on a particular date
 - (c) for a year
 - (d) for a month

2. The concept which assumes that a business will last indefinitely is _____
- (a) business entity (b) going concern
(c) periodicity (d) conservation
3. Wages paid for installation of machinery wrongly debited to wages account is an errors of _____
- (a) partial omission
(b) principle
(c) complete omission
(d) duplication
4. When money is withdrawn from bank, the bank
- (a) credits customer's a/c
(b) debits customer's a/c
(c) debit and credit customer's a/c
(d) debit or credit customer's a/c
5. At the time of drawing a bill, the drawer credits the account of
- (a) debtors (b) creditors
(c) bills receivable (d) bills payable

6. The number of days are calculated from the date of the transaction to the date of settlement in case of _____
- (a) forward method
(b) reducing balance method
(c) daily balance method
(d) red ink interest method
7. Under straight line method, the amount of depreciation is _____
- (a) increasing every year
(b) decreasing every year
(c) constant for all year
(d) fluctuating every year
8. The difference between standard turnover and actual turnover during the indemnity period is _____
- (a) actual sales (b) standard sales
(c) short sales (d) (a) and (b)
9. Statement of affairs is a _____
- (a) statement of income and expenditure
(b) statement of assets and liabilities
(c) summary of cash transactions
(d) summary of credit transactions



10. Which of the following item relating to bills payable is transferred to total creditors accounts?
- (a) opening balance of bills payable
 - (b) closing balance of bills payable
 - (c) bills payable accepted during the year
 - (d) cash paid for bills payable

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) List out the methods of preparing trial balance.

Or

- (b) The following transactions of Ram home appliances for July 2017. Prepare purchase book :

5.7.2017 Purchased on credit from Kannan @ Co.

50 iron boxes @ Rs. 500 each

10 grinders @ Rs. 3000 each

6.7.2017 Purchased for cash from Siva @ Bros.

25 fans @ Rs. 1250 each

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July 10 Purchased from Balan @ Co. on credit
20 grinders @ Rs. 2,500 each
10 mixies @ Rs. 3,000 each
Trade discount 10%
Delivery charges Rs. 1,000

July 20 Purchased on credit, one copier machine
from Kumar for Rs. 35,000

12. (a) Write the specimen of Bank reconciliation statement.

Or

- (b) The following errors were located before the preparation of the trial balance. Rectify them

- (i) Paid ₹500 to Angappan were wrongly debited to Angannan's account
- (ii) Sales of furniture for ₹750 was credited to sales account
- (iii) Purchases of goods from Bagya for ₹2100 was wrongly passed through sales book
- (iv) Wages ₹1,000 paid on erection of machinery were debited to wages account.

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13. (a) Find out the average due date of the following bills accepted by a trader who wishes to settle them with one single payment.

Date of Bills	Amount of Bill	Due date
01.4.90	800	06.6.90
30.4.90	1,000	03.8.90
03.6.90	400	06.7.90
15.6.90	600	18.9.90

Or

- (b) Explain the features of bills of exchange.
14. (a) Find out the rate of depreciation under straight line method from the following details.

Original cost of the assets – ₹ 10,000

Estimated life of the asset – 10 years

Estimated scrap value at the end – ₹ 2,000

Or

- (b) Short sales – ₹ 6,40,000

Gross profit rate = 15%

Find loss of profit

15. (a) Closing capital as on 31.3.2019 – ₹4,42,000

Opening capital as on 1.4.2018 – ₹4,00,000

Additional capital introduced during the year – ₹45,000

Drawing during the year – ₹ 2,500 per month

Prepare statement of profit or loss with the above information

Or

- (b) From the following details, calculate the missing figures.

Capital as on 1st April 2017 – ₹2,50,000

Capital as on 31st March 2018 – ₹2,75,000

Additional capital introduced during the year – ₹ 30,000

Profit for the year – ₹15,000

Drawings during the year – ?



PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) The following transactions took place in the business of Rathna Kumar who deals in textiles Jan. 2017.

	Rs.
Jan 1 Commenced business with capital	5,00,000
5 Bought furniture cash	6,000
10 Purchased goods for cash	10,000
15 Bought goods for credit from Jeyanthi	25,000
20 Sold goods for cash	32,000

From the above transactions prepare journal, ledger, and trial balance in the books of Rathna Kumar.

Or

- (b) Explain in detail about the accounting concepts and conventions.
17. (a) The bank statement of Sudha and company showed an overdraft of ₹10,000 on 31.12.2017. Prepare a bank reconciliation statement.
- (i) A cheque deposited on 30.12.2017 for ₹15,000 was not credited by the bank

- (ii) Interest on term loan ₹500 was debited by bank on 31.12.2017 but not accounted in the books of Sudha and company
- (iii) A cheque issued for ₹550 on 24.12.17 was paid by the bank. it was recorded as ₹505 in the bank column of the cash book
- (iv) Bank recorded a cash deposits of ₹2,598 as ₹2,589
- (v) Interest on overdraft of ₹600 was not recorded in the books of Sudha and company.

Or

- (b) A book keeper finds that the debit column of the trial balance is short by ₹308 and the difference is put to a suspense account subsequently the following errors were located.
- (i) An entry for sale of goods on credit for ₹102 to Mekala was posted to her account as ₹120
- (ii) ₹100 being the monthly total of discount allowed to customers was credited to discount received account in the ledger
- (iii) ₹275 paid by Mannan was credited to Kannan account



(iv) ₹26 appearing in the cash book as paid for the purchase of stationery for office use has not been posted to ledger

(v) The purchases book was undercast by ₹100

Rectify the error and prepare suspense account.

18. (a) X sold goods to Y as detailed below

Date of Invoice Value of good sold

05.5.94 2,000

12.5.94 1,500

19.5.94 3,000

26.5.94 2,200

01.6.94 1,500

03.6.94 1,000

The payments were agreed to be made by bills payable 90 days from the respective date of invoice. However, Y wanted to arrange for payment of all the bills to be made on a single date. Calculate the date on which such payment could be made without loss of interest to either party.

Or

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(b) Abdul gave his acceptance for Amir's four months bill of ₹ 2,400 on January 1, 1999. One month before the due date Abdul paid the amount of the bill at 5% p.a. rebate. Pass journal entries in the books of both the parties.

19. (a) M/s Ramco textile mills purchased machinery on 1st April 2014 for ₹2,00,000 on credit from M/s Nila and Co and spend ₹10,000 on its installation. Depreciation is provided at 10% per annum on the written down value method. Prepare machinery account and depreciation account for the first three years. Books are closed on 31st March every year.

Or

(b) A fire occurred in the premises of X Ltd. on 10.10.91. All stocks were destroyed except to the extent of ₹6,200. From the following figures, ascertain the loss of stock suffered by the company.

	₹
Stock on 1.1.90	40,000
Purchases during 1990	1,45,000
Sales during 1990	2,00,000
Stock on 31.12.90	25,000

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Purchases during 1991 upto the date of fire
₹ 1,52,200

Sales during 1991 upto date of fire.

20. (a) Pandian does not keep his books under double entry system. From the following information prepare trading, profit and loss a/c and balance sheet as on 31.12.2018.

	1.1.2018	31.12.2018
Furniture	30,000	30,000
Cash in hand	10,000	17,000
Debtors	40,000	60,000
Stock	28,000	11,000
B/R	12,000	35,100
Bank loan	25,000	25,000
Creditors	15,000	16,000

Additional Informations

	₹
Cash sales	11,200
Cash purchases	4,250
Carriage on purchase	3,000
Commission received	600
Drawings	8,000

	₹
Salaries	5,900
Credit sales	88,800
Credit purchases	85,750
Carriage on sales	700
Interest on bank loan	2,500
Additional capital	14,000
Office rent	2,400

Adjustments

Write off depreciation of 5% on furniture.
Create a provision of 1% on debtors for doubtful debts.

Or

- (b) From the following details you are required to calculate credit sales and credit purchases by preparing total debtors a/c, total creditors a/c, Bills receivable a/c and bills payable a/c

Particulars	Opening	Closing
Debtors	60,000	55,000
B/R	3,000	1,000
Creditors	25,000	28,000
Bills payable	2,000	3,000



Other information :

	₹
Cash received from debtors	1,30,000
Discount allowed to customers	55,000
Cash paid to creditors	70,000
Discount allowed by suppliers	3,500
Payments against bills payable	7,000
Cash received for bills receivable	14,000
Bills receivable dishonoured	1,200
Bad debts	3,500