

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai — 600 044.

B.Com.(PA) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - I

21UPACT1001 - Financial Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. From the following information, prepare a three column cash book:

2012

- Sep. 1 cash in hand Rs.134. Bank o/d Rs.1,700
 2 Sarathy our customer has paid directly into our bank account Rs.3,500
 3 Paid rent by cheque Rs.2,500
 4 Paid water tax Rs.100
 10 Cheque issued in favour of Ajay Steel Co., for purchase of furniture Rs.1,200
 15 Received from Shanmugam Rs.1,675
 20 Paid into bank Rs.25
 25 Paid for Ramu Rs.1,185 and discount received Rs.15
 30 Ajay Steel Co., to whom we have issued a cheque of Rs.1,200 has reported that our cheque is dishonoured.

2. Devise a trading account of Metha for the year ending 31.12.2016 from the following information.

Particulars	Amount (in Rs.)	Particulars	Amount (in Rs.)
Opening Stock	80,000	Sales	4,40,000
Purchases	8,60,000	Purchase Returns	10,000
Freight inwards	52,000	Sales returns	3,16,000
Wages	24,000	Closing stock	1,00,000
Import duty	30,000		

3. Journalise the following transaction:

Rs.

2021

- Aug. 1 Bala started business with cash 50,000
 5 Opened a current account with Indian Bank 15,000
 10 Bought good from Latha 40,000
 15 Paid carriage 50
 20 Sold goods to Suresh for cash 10,000
 25 Withdrew for pesonal use from bank 5,000

Contd...

4. Anbu from Chennai and Rakesh from Mumbai entered into joint venture for the sale of a consignment of goods at April 2019, profit and losses to be shared equally. Anbu paid Rs.10,000 for goods purchases and consigned to Rakesh for sale. He paid Rs.400 for freight, Rs.350 for brokerage and Rs.100 for sundry expenses. Rakesh received these goods and paid Rs.600 for octroi, Rs.200 for warehouse and Rs.90 for insurance. He sold the whole consignment for Rs.16,000. You are required to pass general entries, joint venture account and prepare co-venturers' accounts.
5. Classify the essential elements of a valid promissory note.
6. Illustrate the advantages of royalty accounts.
7. X Ltd. Has given its coal mine to Z Ltd. It was decided that royalty of Rs.10 per tonne of coal extracted is to be paid by Z Ltd. Minimum rent per year would be Rs.80,000 and if there is any short workings it should be recouped within the first 2 years of lease. The production for the first three years is as follows.

Year	2006	2007	2008
Quantity Produced (Tonnes)	5,000	9,000	8,000

Give the journal entries in the books of landlord.

8. A company purchased machinery for Rs.1,00,000 on 15.04.2008. The useful life of the machinery is 10 years. Its residual value is Rs.10,000. Find out the rate of depreciation under straight line method.

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Journalise the following transactions:
2006, Mar.
 1. Veeramani commenced business with capital of Rs.30,000.
 2. Bought machinery Rs.5,000.
 3. Bought goods for cash from Mr.Kadhir Rs.2,500.
 4. Sold goods for cash to Mr.Jagdheesh Rs.4,000.
 5. Purchases goods from Mr.Bharath Rs.3,000.
 6. Cash sales Rs.5,000.
 10. Received interest from Mr.Ashok Rs.2,000.
 11. Deposited cash into bank Rs.6,000.
 14. Paid cash to Mr.Bharath Rs.2,500 in full settlement of his account Rs.3,000.
 15. Paid rent by cheque Rs.500.
10. The difference of trial balance of a trader Rs.1,118 has been transferred to suspense account. Later on the following errors were discovered. Pass the necessary rectifying entries. Open suspense account and show the effect of rectifying entries on profit and loss:
 - a) Depreciation of Rs.200 was charged on machinery but it was not recorded in depreciation account.

- b) A discount of Rs.82 was allowed to Mr.Rajesh, but in his account only Rs.28 was recorded.
- c) A machinery of Rs.4,000 was purchased, but was recorded in purchases book.
- d) A sales of Rs.344 was recorded in sales account as Rs.434.
- e) Instead of crediting Rs.1,024 in Madhan's account Rs.430 were debited in his account.
- f) Total of sales returns book was under cast by Rs.100.

11. Distinguish between bills of exchange and promissory notes.

12. A colliery company took the lease of a coalfield for a period of 25 years, from 1st January 2013, on a royalty of Rs.1 per tonne of coal raised, with a minimum rent of Rs.20,000 and the power of recoup the short workings during the three years of the lease. The annual raisings were as follows:

Year	Output (Tonnes)
2013	12,000
2014	18,000
2015	12,000
2016	15,000

Prepare short workings account.

13. A company whose accounting year is the calender year purchased on 1.1.93 a machine for Rs.40,000. It purchased further plant on 1st October 1993 for Rs.20,000 and on 1st July 1994 for Rs.10,000. On 1.7.95, 1/4th of the plant installed on 1.1.93 became obsolete and was sold for Rs.6,800. Show how the plant account would appear in the books of the company for all the three years under diminishing balance method. Depreciation is to be provided at 10% per annum.
