

Reg. No. :

Code No. : 12036 E Sub. Code : CMCO 11

**B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2025.**

First Semester

Commerce – Core

FINANCIAL ACCOUNTING – I

(For those who joined in July 2021 and 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Financial position of a business is ascertained on the basis of
 - (a) Journal
 - (b) Trial balance
 - (c) Balance Sheet
 - (d) Ledger

2. GAAPs are
- (a) Generally Accepted Accounting Policies
 - (b) Generally Accepted Accounting Principles
 - (c) Generally Accepted Accounting Provisions
 - (d) None of these
3. A bank statement is a copy of
- (a) Cash column of the cash book
 - (b) Bank column of the cash book
 - (c) A customer Rs account in the bank Rs. book
 - (d) Cheques issued by the business
4. Balance as per cash book is Rs. 2,000. Bank charge of Rs. 50 debited by the bank's not yet shown in the cash book. What is the bank statement balance now?
- (a) Rs. 1,950 credit balance
 - (b) Rs. 1,950 debit balance
 - (c) Rs. 2,050 debit balance
 - (d) Rs. 2,050 credit balance

5. Under the written down value method of depreciation, the amount of depreciation is
- (a) Uniform in all the years
 - (b) Decreasing every year
 - (c) Increasing every year
 - (d) None of the above
6. Depreciation is provided on
- (a) Fixed assets
 - (b) Current assets
 - (c) Outstanding charges
 - (d) All assets
7. When a bill is endorsed credit is given to
- (a) bills receivable account
 - (b) endorsee's account
 - (c) acceptor's account
 - (d) bank account
8. Noting charges account is debited by
- (a) the presenter of bill
 - (b) the discounting banker
 - (c) the acceptor
 - (d) the endorser

9. Statement of affairs is a
- Statement of income and expenditure
 - Statement of assets and liabilities
 - Summary of cash transactions
 - Summary of credit transactions
10. When capital in the beginning is Rs. 10,000, drawings during the year is Rs. 6,000, profit made during the year is Rs. 2,000 and the additional capital introduced is Rs. 3,000, find out the amount of capital at the end
- Rs. 9,000
 - Rs. 11,000
 - Rs. 21,000
 - Rs. 3,000

PART B — (5 × 5 = 25 marks)

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

11. (a) Show the direct ledger postings for the following transactions

	Rs.
2017 June 1 Raja commenced business with cash	50,000
6 Sold goods for cash	8,000
8 Sold goods to Devi on credit	9,000
15 Goods purchased for cash	4,000
20 Goods purchased from Shanthi on credit	5,000

Or

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- (b) From the following balances extracted from the books of Ashok, a merchant of Chennai, prepare trial balance as on 31st December, 2017.

Particulars	Rs.	Particulars	Rs.
Buildings	20,000	Conveyance charges	3,500
Bills payable	3,000	Salary	5,600
Debtors	20,000	Capital	40,000
Cash at bank	16,800	Furniture	10,000
Insurance paid	1,600	Motor vehicles	5,000
Rent received	5,000	Patents	2,000
Donation given	2,500	Goodwill	3,000
Loan borrowed	42,000		

12. (a) Explain the reasons for preparing bank reconciliation statement.

Or

- (b) Prepare bank reconciliation statement from the following data. Bank overdraft as per bank statement 6,500
- Cheques issued but not yet presented for payment 8,750
 - Cheques deposited but not yet credited by the bank 500

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(iii) Business customer directly deposited into cash deposit machine 3500, not yet entered in cash book.

(iv) Bank charges not entered in the cash book 200

(v) Bank paid rent as per standing instruction 1,980.

13. (a) On 1.5.21 Mohan gave acceptance for three months bill of Rs. 6,000 drawn by Murali. Murali sent the bill to bank for collecting the amount on maturity. After maturity Murali received intimation from the bank that the bill was duly honoured by Mohan and Bank charged Rs. 20 for collection. Show the entries in the books of Murali and Mohan.

Or

- (b) Abdul gave his acceptance for Amir's four months bill of Rs. 2,400 on Jan. 1, 1999. One month before the due date Abdul paid the amount of the bill at 5% pa. rebate. Pass the necessary Journal entries in the books of both the parties.

14. (a) What are the objectives of providing Depreciation?

Or

- (b) On 1st October 2014, a truck was purchased for Rs. 8,00,000 by Laxmi Transport Ltd. Depreciation was provided @ 15% pa. under diminishing balance method. On 31st March 2017, the above truck was sold for Rs. 5,00,000. Accounts are closed on 31st March every year. Prepare Truck Account for three years and Find out the profit or loss made on the sale of the truck.

15. (a) What are the limitations of incomplete records?

Or

- (b) Ahmed does not keep proper books of accounts. Find the profit or loss made by him for the year ending 31st March, 2018.

Particulars	1.4.2017 Rs	31.3.2018 Rs.
Bank balance	14,000 (cr)	18,000 (Dr)
Cash in hand	800	1,500
Stock	12,000	16,000
Debtors	34,000	30,000
Plant	80,000	80,000
Furniture	40,000	40,000
Creditors	60,000	72,000

Ahmed had withdrawn Rs. 40,000 for his personal use. He had introduced Rs. 16,000 as capital for expansion of his business. A provision of 5% on debtors is to be made. Plant is to be depreciated at 10%.

PART C — (5 × 8 = 40 marks)

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

16. (a) Prepare trading and profit and loss account and balance sheet from the following trial balance of Madan as on 31st March, 2018.

Debit balance	Rs.	Credit balance	Rs.
Rs. Sundry debtors	61,000	Capital	70,000
Plant and machinery	80,000	Purchases return	2,000
Bank charges	4,200	Sales	2,55,000
Wages	7,000	Bank overdraft	77,000
Sales return	5,000		
Purchases	1,52,000		
Opening stock	30,000		
Drawings	22,000		
Establishment expenses			
bad debts	20,000		
Business premises	800		
	<u>22,000</u>		
	<u>4,04,000</u>		<u>4,04,000</u>

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Adjustments

- The closing stock was Rs. 80,000
- Provide depreciation on plant and machinery @ 20%
- Write off Rs. 800 as further bad debts
- Provide the doubtful debts @ 5% on sundry debtors.

Or

- (b) Enter the following transactions in a cash book with cash, bank and discount columns of Sundari, 2017.

April

- Rs. 1 Commenced business with cash 80,000
- 1 Cash at bank 44,000
- 10 Bought goods for and paid by cheque 13,850
- 11 Bought furniture for cash 9,500
- 18 Bought stationery for cash 1,850
- 20 Received cheque from Santhosh and deposited in the bank 6,800
Discount allowed to him 200
- 22 Cheque issued to Rama 4,000

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- 24 Paid to Muralidharan half by cheque, half by cash 12,400
Discount received from him 100
- 25 Salaries paid through bank 6,500
- 27 Withdrawn cash from bank 1,000
- 31 Locker rent charged by the bank 150

17. (a) From the following information, prepare bank reconciliation statement as on 31st December, 2017 to find out the balance as per bank statement.

- (i) Bank overdraft as per cash book 20,000
- (ii) Cheques deposited but not yet credited 4,000
- (iii) Cheque issued but not yet presented for payment 1000
- (iv) Rent collected by the bank as per standing instruction 500
- (v) Interest on overdraft debited by bank 2,000
- (vi) Amount wrongly debited by bank 300

- (vii) Cheque issued on 30th December 2017 dishonoured by the bank 5000
- (viii) A customer Rs cheque deposited in the bank dishonoured by bank not recorded In the cash book 2000.

Or

(b) Prepare bank reconciliation statement from the following data and find out the balance as per cash book as on 31st March 2018.

	Particulars	Rs.
(i)	Bank balance as per bank statement	15,000
(ii)	Cheques issued but not yet presented for payment	2,500
(iii)	Bank charges not recorded in the cash book	250
(iv)	Interest charged by bank not recorded in the cash book	500
(v)	Bank paid insurance premium as per standing instruction but not recorded in the cash book	300
(vi)	Cheques deposited but not yet credited	900

18. (a) X sold goods to Y for Rs. 10,000 on credit basis on 1st January 2022. Y promised to pay after 4 months accepting a bill for the same amount on the same date. On 15th January X endorsed the bill to Z who endorsed the bill to R, his creditors. On the due date the bill was dishonoured. Pass journal entries in the books of X and Y.

Or

- (b) On 1st April 2022, P accepted a bill drawn by Q for 3 months for Rs. 2,300. Before the due date i.e on 1st June 2022, P paid Rs. 2,200 to settle his account with Q. Pass entries in books of both the parties and Prepare necessary ledger accounts.
19. (a) Raj and Co purchased a machine on 1st January 2014 for Rs. 90,000. On 1st July 2014, they purchased another machine for Rs. 60,000. On 1st January 2015, they sold the machine purchased on 1st January 2014 for Rs. 40,000. It was decided that the machine be depreciated at 10% per annum on diminishing balance method. Accounts are closed on 31st December every year. Show the machinery and Depreciation accounts for the years 2014 and 2015.

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- (b) Ragul purchased machinery on April 1, 2014 for Rs. 2,00,000. On 1st October 2015, a new machine costing Rs. 1,20,000 was purchased. On 30th September 2016, the machinery purchased on April 1, 2014 was sold for Rs. 1,20,000. Books of accounts are closed on 31st March and depreciation is to be provided at 10% pa. on straight line method. Prepare machinery account and depreciation account for the years 2014-15 to 2016-17.

20. (a) From the following details you are required to calculate credit sales and credit purchases by preparing total debtors account, total creditors account, bills receivable account and bills payable account.

Particulars	Balances as on 1 st April 2018	Balances as on 31 st March 2019
Sundry debtors	2,40,000	2,20,000
Bills receivable	30,000	8,000
Sundry creditors	1,50,000	1,20,000
Bills payable	10,000	20,000
Other Information:		
Cash received from debtors		60,000
Payments against bill payable		30,000
Discount allowed to customers		25,000

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Cash received for bills receivable	60,000
Cash paid to creditors	3,20,000
Bills receivable dishonoured	4,000
Discount allowed by suppliers	10,000
Bad debts	16,000

Or

- (b) From the following details of Rakesh, prepare Trading and Profit and Loss account for the year ended 31st March, 2019 and a Balance Sheet as on that date.

Particulars	31.3.2018 Rs	31.3.2019 Rs
Stock of goods	2,20,000	1,60,000
Debtors	5,30,000	6,40,000
Cash at bank	60,000	10,000
Machinery	80,000	80,000
Sundry creditors	3,70,000	4,20,000
Other details:		
Rent paid		1,20,000
Cash received from debtors		12,50,000
Discount received		35,000
Drawings		1,00,000
Discount allowed		25,000
Cash sales		20,000
Cash paid to creditors		11,00,000
Capital as on 1.4.2018		5,20,000