



Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test – II October, 2025
Semester I

Class : I UG **Time: 2 hours**
Major : B.Com/ B.Com(PA)/ B.Com(CA) **Maximum Marks: 60**
23BCOC01/23BCPC01/23BCCC01- Financial Accounting with Application Software

Course Outcomes:

1. Apply the generally accepted accounting principles while recording transactions and preparing financial statements
2. Demonstrate accounting process under computerized accounting system
3. Measure business income applying relevant Accounting Standards
4. Evaluate the importance of depreciation, inventories in financial statements, cashbook and other accounts necessary while running a business
5. Prepare financial statements of sole proprietors, partnership firms, Inland Branches and Not-for-Profit Organisations.

Part A

Choose the correct answer

6 x 1 = 6

1. The term depletion is used for CO3 K1
a) Fixed assets b) intangible assets c) Natural resources d) Current assets
2. In the absence of partnership deed, the rate of interest on partner's loan is CO3 K2
a) 5% p.a b) 6% p.a c) 7.5% p.a d) 10% p.a
3. Stock is valued at CO4 K1
a) Cost Price b) Market Price c) Cost or Market price whichever is less d) Floating Price
4. Material consumed during the year is CO4 K2
a) Opening stock+Purchases-Closing Stock
b) Opening stock-Purchases-Closing Stock
c) Opening stock-Purchases+Closing Stock
d) Opening stock+Purchases+Closing Stock
5. Under debtors system, branch account is a CO5 K2
a) Real A/C b) Personal A/C c) Nominal A/C d) Debtors A/C
6. All capital and revenue receipts are CO5 K4
a) Debited in Income and Expenditure Account
b) Credited in Income and Expenditure Account
c) Debited in Receipts and Payments Account
d) Credited in Receipts and Payments Account

Part B

Answer the following

3x6=18

Answer should not exceed 400 words or two pages

- 7.a) A machine costing ₹.1,00,000 was purchased on 1-1-2023 which has a salvage value of ₹.20,000 and the life of the machine is 5 years. Calculate the amount of depreciation and the rate of depreciation. (or) CO3 K2
 - 7.b) From the following calculate the amount of provision for doubtful debts to be debited to P&L A/c: CO3 K2
Opening Provision for Doubtful debts : ₹.2,400
Closing Sundry Debtors : ₹.42,000
Bad debts yet to be written off: ₹.2,000
Provide for doubtful debts at 10% on debtors. CO4K3
 - 8.a) The following information relates to Madurai Branch
- | Particulars | ₹ | ₹ |
|----------------------------|----------|----------|
| Stock on 1-1-2023 | | 11,200 |
| Branch Debtors on 1-1-2023 | | 6,300 |
| Goods sent to Branch | | 51,000 |
| Cash Sent to Branch for: | | |
| Rent | 1,500 | |
| Salaries | 3,000 | |
| Petty Cash | 500 | 5,000 |
| Sales at Branch: | | |
| Cash | 25,000 | |
| Credit | 39,000 | 64,000 |

- 8.b) Explain with reasons whether the undermentioned items appearing in the books of manufacturing concern are 'capital' or 'revenue' CO4 K3
- (i) Legal expenses incurred in raising a debenture loan
 - (ii) Legal expenses incurred in an action for infringement of its trademark
 - (iii) Profits realized on the sale of investments
 - (iv) Labour welfare expenses
 - (v) Subsidy received from State Government.

- 9.a) X Ltd of Mumbai has a branch in Delhi. From the following data, prepare Branch Stock A/C under stock and debtors system CO5 K3

Particulars	₹
Goods sent from H.O	50,000
Returns to H.O	1,000
Cash Sales	35,500
Credit Sales	8,000
Opening Stock	10,000
Closing Stock	11,000

(or)

- 9.b) Differentiate between Receipts & Payment Accounts and Income and Expenditure Account. CO5 K3

Part C

Answer the following

Answer should not exceed 800 words or four pages

3x12=36

- 10.a) Prepare a statement showing the pricing of issues, on the basis of (a) LIFO methods, and (b) Weighted Average Methods from the following information pertaining to material 'X'. CO3 K3

Date	Particulars
1	Purchased 100 units @ Rs.10
2	Purchased 200 units @ ₹10.20
5	Issued 250 units to job A vide MR No.1
7	Purchased 300 units @ ₹ 10.50 each
10	Purchased 200 units @ ₹ 10.80 each
13	Issued 200 units to Job B vide Mr No.2
18	Issued 200 units to job C vide Mr No.3
20	Purchased 100 units @ Rs.11 each
25	Issued 150 units to Job D vide MR no.4

(or)

- 10.b) Discuss briefly methods of valuation of Inventory. CO3 K1

- 11.a) An extract of the Trial Balance as at 31.12.2010 of the firm of Williams and Moraes is available. The partners share profit & Losses in the proportion of 60% and 40% respectively with the following further stipulations: CO4 K3

- (i) Each partner is entitled to be paid Rs.2,000 p.m by way of salary, and
- (ii) Interest at the rate of 15% will be charged on drawings other than salary.

Trial Balance as at 31.12.2010

Particular	Rs	Rs
Capital A/cs:		
Williams	-	80,000
Moraes	-	80,000
Sundry creditors		35,000
Fixed Assets	1,82,000	
Goodwill	20,000	
Stock-in-trade(31.12.2010)	42,250	
Sundry Debtors	71,450	
Cash in hand	13,300	
Salary Advance to Staff	3,000	
Partners Salaries	48,000	
Office expenses outstanding	-	1,000
Depreciation	18,000	-
Staff Salaries	20,000	
Office expenses	18,000	
Trading a/c (Cross profit)	-	2,40,000
	4,36,000	4,36,000

Utilising the following additional information, you are required to prepare:

- (i) Profit & Loss A/c for the year 2010

Additional information

- (i) A perusal of the payment Vouchers for Jan. 2011 indicates payment of salaries of Rs. 2,000 and office expenses Rs. 8,000 relating to periods before 31.12.2020

(or)

- 11.b) X and Y are partners sharing profits as 60% and 40% respectively. You are required to prepare their Trading and Profit and Loss a/c for the year ended 31st December, 2026 and a Balance Sheet as at that date. Their Trial Balance as at 31st December 2026 is set out below: CO4 K3

Particulars	₹	Particulars	₹
Furniture	15,000	Returns Outwards	1,300
Sundry Debtors	40,000	Sundry Creditors	28,500
Plant and Machinery	37,000	Bills Payable	11,000
Freehold Premises	45,000	Sales	2,25,000
Stock	30,000	Discount	400,1,500
Purchases	1,31,000	Commission	600
Bills Receivable	25,000	Rent	1,000
Returns Inwards	800	Provision for Doubtful Debts	
Carriage Inwards	900	Capital Accounts:	
Freight	1,200	X:	
Discount	600	45,000	
Carriage Outwards	700	Y:	85,000
Cash at Bank	5,300	<u>40,000</u>	
Salaries	7,500		
Wages	10,000		
Drawings:			
X (1.1.2006): 2,500			
Y (1.1.2006): <u>1,500</u>	4,000		
Bad Debts	300		
	<u>3,54,300</u>		<u>3,54,300</u>

Adjustment required:

1. Closing stock Rs. 40,000.
2. Maintain Provision for Doubtful Debts at 3% of Sundry Debtors.
3. Allow interest at 5% on their capital.
4. Charge interest at 8% on their drawings.
5. X is entitled to a commission of 1% on the Gross Profit.
6. Y is entitled to a commission of 2% on the net profit available before charging his commission.

- 12.a) A branch sent the following Trial Balance to its Head Office.

Particulars	₹	₹
Head Office Account	-	57,840
Sundry Creditors	-	14,000
Sales	-	2,20,000
Balance at Bank	9,000	-
Cash in hand	140	-
Sundry Debtors	54,000	-
Purchases	1,60,000	-
Rent and Rates	4,000	-
General Expenses	7,000	-
Salaries	12,000	-
Bad Debts	700	-
Fixture and Fittings	2,400	-
Machinery	4,600	-
Stock, 1 st January	38,000	-
	<u>2,91,840</u>	<u>2,91,840</u>

CO5 K2

The proportion of head office expenses to be charged to the branch is Rs. 4,500. The Salaries include a sum of Rs. 2,600 paid to branch manager who is further entitled to 15% commission on the net profit of the branch before charging such commission.

The Branch stock on 31st December was Rs. 22,000. Prepare the Branch Trading and P&L A/c and Balance sheet allowing 10% depreciation on the fixed Assets.

(or)

UIN 7
J.B.COM
(12)

12.b) The following is the Receipts and payments account of Kandan Recreation club for the year ended 31st March 2024. CO5 K3

Receipts	₹	Payments	₹
To Balance b/d	7,000	By Salaries	28,000
To Subscriptions:		By General Expenses	6,000
2022-2023	5,000	By Electricity	4,000
2023-2024	20,000	By Books Purchased	10,000
2024 -2025	<u>4,000</u>	By Periodicals	8,000
To Rent for use of Conference room	14,000	purchased	20,000
To Receipts from entertainment facilities	28,000	By Loan Repaid	4,000
To Sale of old magazines	2,000	By Balance c/d	
	80,000		80,000

Additional Data:

- The club has 50 members, each paying Rs.500PA as subscription.
- Subscriptions outstanding on 31st march 2024 Rs.6,000.
- Salaries outstanding Rs. 2,000. Salaries paid include Rs.6,000 for 2022-2023.
- On 1st April 2023, the clubs properties were: Building Rs.2,00,000 Furniture and Fittings Rs.20,000 and Books Rs.20,000.
- Provide 10% Depreciation on Buildings and Furniture,

Prepare Income and Expenditure Account for the year ending 31st march 2024 and a balance sheet on that date.

Total Copies: 180