



K. Sambal

Avinashilingam Institute for Home Science and Higher Education for Women

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

Bachelor's Degree Examination - November 2024 I Semester

Class : I UG

Time : 3 Hours

Major : B.Com/ B.Com MS /B.Com CA/B.Com PA/B.Com CS/BBA

Max. Marks : 100

23BCOC01/ 23BCCC01/ 23BCPC01/23BCRC01/24BBAC03 Financial Accounting with Application Software

Course Outcomes:

- CO1: Apply the generally accepted accounting principles while recording transactions and preparing financial statements.
CO2: Demonstrate accounting process under computerized accounting system.
CO3: Measure business income applying relevant Accounting Standards.
CO4: Evaluate the importance of depreciation, inventories in financial statements, cashbook and other accounts necessary while running a business.
CO5: Prepare financial statements of sole proprietors, partnership firms, Inland Branches and Not-for-Profit Organisations.

Part A

10 x 1 = 10

Choose the Correct Answer

- According to consistency convention, accounting principles should be:
a. Consistent
b. Variable
c. Flexible
d. Factual
CO1K1
- One of the following is not a characteristic of accounting principles:
a. Results-oriented
b. Factual
c. Practical
d. Summarizing
CO1K1
- What are the types of a computerized accounting system?
a. Ready to use Software.
b. Customized Software
c. Tailor-made Software
d. All the above
CO2K2
- What does FIFO mean?
a. Finished stock In Finished stock out
b. Fabrications Inward Fabrications Outward
c. Final Input Final Output
d. First In First Out
CO4K2
- "The depreciation amount of any fixed asset is never going to beat its _____".
a. original price
b. balance amount
c. residual value
d. estimated depreciable value
CO4K1
- In which method of accountancy do we find the depreciation as a constant value?
a. The method of a straight line
b. Declining balance methodology
c. Unit Production Rate
d. The accelerated sum-of-years methodology
CO4K1
- Which of the following is a Sole Proprietorship?
a. A business owned by different companies
b. A business owned by a president
c. A business owned by a company
d. A business owned by a person
CO5K2
- Which can be owned by only a single person of the following?
a. A Sole Proprietorship
b. A private company
c. A public company
d. A joint-stock company
CO5K1
- Branch debtor system is otherwise known as _____.
a. synthetic methods
b. stock and debtor methods
c. foreign branch methods
d. analytical methods
CO5K1
- Which methods is adopted generally in those branches which are small in size?
a. Stock and debtor methods
b. Debtors method
c. Foreign branch methods
d. Analytical methods
CO5K2

Part B
Answer ALL questions

5 x 6 = 30

Each answer should not exceed 400 words or two pages

- 11.a. State the principles of financial accounting. CO1K2
(or)
- 11.b. Explain the nature and benefits of accounting standards. CO1K3
- 12.a. Discuss the importance of backups in computerized accounting. CO2K3
(or)
- 12.b. Given the following balances, prepare a trial balance of Ganesh Ltd on March 31, 2020: CO2K3

Account	(Rs.)
Cash	20,000
Accounts Receivable	15,000
Inventory	10,000
Accounts Payable	12,000
Bank Loan	18,000
Sales	50,000
Cost of Goods Sold	30,000
Salaries Expense	8,000
Rent Expense	5,000
Capital	8,000

- 13.a. Explain the advantages and limitations of the Straight Line Method of depreciation. CO3K3
(or)
- 13.b. A machine costs Rs. 100,000 and has an estimated residual value of Rs. 10,000. Its useful life is 5 years. Calculate the amount and rate of Depreciation. CO3K2
- 14.a. A and B are partners in a firm with a capital ratio of 2:1. The partnership agreement provides the following details: CO4K3
The firm's profit for the year is Rs.60,000.
A is entitled to a salary of Rs.5,000 per year.
Interest on capital is allowed at 10%.
A's capital is Rs.50,000, and B's capital is Rs.30,000.
The remaining profit is to be shared in the capital ratio (2:1).
Calculate the distribution of profits between A and B.
(or)
- 14.b. Ram owns a sole proprietorship, and the following information is available for the year ending December 31, 2022: CO4K4
Sales: Rs.100,000
Cost of Goods Sold: Rs.50,000
Operating Expenses: Rs.20,000
Owner's Drawings: Rs.10,000
Capital (January 1, 2022): Rs.25,000
Prepare an Income Statement and Balance Sheet as on December 31, 2022
- 15.a. XYZ Ltd. has a branch in Madurai. The following are the transactions related to the branch for the year: CO5K4
Goods sent to branch: Rs.50,000
Cash sales at the branch: Rs.30,000
Credit sales at the branch: Rs.40,000
Expenses paid by the branch: Rs.5,000
Cash remitted to Head Office: Rs.20,000
Closing stock at the branch: Rs.10,000
Prepare the branch account in the Head Office books.
(or)
- 15.b. A non-profit organization, XYZ Sports Club, provides the following information: CO5K3
Cash in hand at the beginning of the year: Rs.2,000
Subscriptions received during the year: Rs.15,000
Donations received: Rs.5,000
Rent paid: Rs.4,000
Salaries paid: Rs.6,000
Purchase of sports equipment: Rs.3,000
Cash in hand at the end of the year: Rs.9,000. Prepare the Receipts and Payments Account.

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 16.a. Discuss the functions and limitations of accounting information system. CO1K3
(or)
- 16.b. Explain in detail the need and scope of IFRS. CO1K4
- 17.a. Explain the role of security features in a computerized accounting system. CO2K3
(or)
- 17.b. Using the following information, prepare a cash flow statement for indirect method CO2K3
Net Income: Rs. 50,000
Depreciation: Rs. 10,000
Increase in Accounts Receivable: Rs. 5,000
Decrease in Inventory: Rs. 2,000
Increase in Accounts Payable: Rs. 4,000
Purchase of machinery: Rs. 15,000
Repayment of loan: Rs. 10,000
Dividends paid: Rs. 8,000
Opening cash balance: Rs. 20,000
- 18.a. Explain the objectives and advantages of Business income. CO2K4
(or)
- 18.b. Kennan Ltd. purchased Machinery for Rs. 300,000 on January 1, 2021. The depreciation CO3K4
rate is 15% per annum under the Diminishing balance method. After 4 years, the company
decides to sell the Machinery for Rs. 120,000. Prepare the journal entries, Machinery account
and Depreciation account.
- 19.a. John runs a sole proprietorship business. At the end of the financial year, the following CO4K3
details were available:
Sales:Rs.100,000
Cost of Goods Sold (COGS): Rs.60,000
Rent expenses: Rs.5,000
Salaries paid: Rs.10,000
Miscellaneous expenses: Rs.3,000
John's capital at the beginning of the year: Rs.40,000
Drawings made by John during the year: Rs.12,000
Calculate John's net profit and the closing capital balance.
(or)
- 19.b. A and B are partners sharing profits in the ratio of 3:2. They admit C into the partnership CO4K3
for a 1/4th share of profits. C brings in capital of Rs.20,000 and goodwill of Rs.5,000.
The total capital of the firm after C's admission is agreed to be Rs.100, 000. Calculate the
new profit-sharing ratio and prepare the Balance Sheet of the reconstituted firm.
- 20.a. ABC Ltd. has an independent branch in another city. The branch keeps separate CO5K4
books of accounts. The following are the transactions for the branch:
Opening stock at the branch: Rs.8,000
Goods sent to branch during the year: Rs.40,000
Sales made by branch: Rs.70,000
Expenses incurred by branch: Rs.10,000
Closing stock at the branch: Rs.12,000
Calculate the profit of the branch and prepare the Branch Trading and Profit & Loss Account.
(or)
- 20.b. Nirmal Club provides the following information for the year ending: CO5K4
Subscriptions received: Rs.12,000
Donations received: Rs.5,000
Rent paid: Rs.4,000
Salaries paid: Rs.3,000
Interest on investments: Rs.1,000
Equipment purchased (to be capitalized): Rs.6,000
Depreciation on equipment (10% of value)
Outstanding rent: Rs.1,000
Cash in hand at the beginning of the year: Rs.2,000
Prepare the Income and Expenditure Account and Balance Sheet.