



V. Sambath

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

Continuous Internal Assessment Test – II October 2024

I Semester

Class : I UG

Time : 2 Hours

Major : B.Com/ B.Com (PA)/ B.Com (CA)/B.Com CS/ BBA

Max. Marks : 60

23BCOC01/23BCPC01/23BCCC01/23BCRC01/24BBAC03

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 Organizations

Part A

6 x 1 = 6

Choose the correct answer

- Depreciation arises because of
 - Fall in the market value of the asset
 - physical wear and tear
 - fall in the value of money
 - based on accounting principle

CO3 K2
- LIFO method of pricing material issues is suitable when
 - material prices are rising
 - material prices are falling
 - there are too many fluctuations in prices of materials
 - based on nature of materials

CO3 K2
- Goodwill is a
 - current asset
 - fictitious asset
 - tangible asset
 - intangible asset

CO4 K2
- At the admission of new partner, reserves and undistributed profits are credited to old partners of capital accounts in
 - old profit sharing ratio
 - new profit sharing ratio
 - the ratio of sacrifice
 - the ratio of gain

CO4 K2
- Which method of branch accounting is usually adopted when the branch is of the small size?
 - Debtors method
 - Invoice price method
 - Trading method
 - Final accounts method

CO5 K3
- Not for profit organizations prepare:
 - profit and loss account
 - manufacturing account
 - income and expenditure account
 - Income statement

CO5 K2

Part B

3 x 6 = 18

Answer ALL Questions

Each answer should not exceed 400 words or two pages

- (a) A boiler was purchased from abroad for Rs.20,000. Shipping and forwarding charges amounted to Rs.4,000, Import duty Rs.14,000 and expenses of installation amounted to Rs. 2,000. Calculate depreciation for the first three years @ 10% on written down value method.
(or)
- (b). From the following receipts and issues of a material during the month of January, 2021, prepare stores ledger account according to FIFO method:
 - January 1 Received 500 units @ Rs.10 per unit.
 - January 5 Received 250 units @ Rs.11 per unit.
 - January 8 Issued 300 units.
 - January 10 Received 400 units @ Rs. 12 per unit.
 - January 13 Issued 250 units.
 - January 20 Received 100 units @ Rs. 11 per unit.
 - January 28 Issued 400 units.

On 1st January 2021, the stock in hand was 200 units @ Rs.9 per unit.
- (a) From the following balances extracted at the close of the year ended 31st December 2023, Prepare profit and loss account of Mr.Raja as at that date:

CO4 K3

Particulars	Rs.	Particulars	Rs.
Gross Profit	55,000	Repairs	500
Carriage on Sales	500	Telephone Expenses	520
Office Rent	500	Interest(Dr.)	480
General Expenses	900	Fire Insurance Premium	900
Discount to Customers	360	Bad Debts	2,100
Interest from Bank	200	Apprentice Premium	1,500
Travelling Expenses	700	Printing & Stationery	2,500
Salaries	900	Trade Expenses	300
Commission	300		

(or)

8.(b). Explain the important clauses in a partnership deed.

CO4 K1

9.(a). Loyal shoe company opened a branch at Madras on 01.01.2021. From the following particulars, prepare the Madras Branch Account for the year 2021.

CO5 K3

Particulars	2022 (Rs.)
Goods Sent to Madras Branch	15,000
Cash Sent o Branch for	
Rent	1,800
Salaries	3,000
Other Expenses	1,200
Cash received from the brach	24,000
Stock on 21 st December	2,300
Petty cash in hand on 31 st December	40

(or)

9.(b). Difference between Receipts & Payment and Income & Expenditure.

CO4 K2

Part C

3 x 12 = 36

Answer ALL questions

Each answer should not exceed 800 words or four pages

10.(a). On 1st January, 2018, machinery was purchased by Mr.Kumar for Rs.50, 000. On 1st July, 2019, additions were made to the extent of Rs.10, 000. On 1st April, 2020, further additions were made to the extent of Rs.6,400. On 30th June, 2021 machinery, the original value of which was Rs.8, 000. on 1st January, 2018, was sold for Rs.6,000. Depreciation is charged at 10% p.a on original cost. Show machinery account for the years from 20018 to 2021 in the books of Mr.Kumar. Mr.Kumar closes is books on 31st December.

CO3 K3

(or)

10.(b). A Company purchased raw material during the month of March, 2021 as started below:

CO3 K3

March 2 1,600 units @ Rs.60 per unit.

March 8 2,400 units @ Rs.55 per unit.

March 11 5,000 units @ Rs.57 per unit.

March 19 6,000 Units @ Rs. 54 per unit.

March 23 3,000 units @ Rs. 58 per unit.

March 30 2,000 units @ Rs.63 per unit.

While preparing the final accounts on 31st march, 2021 the company had 2,600 units of raw material in its godown. You are required to calculate the value of closing stock of raw materials according to LIFO method.

11.(a).The following is the Trial Balance of Mr.Praveen of Madras as on 31st December 2022.

CO4 K3

Debit Balance	Rs.	Credit Balance	Rs.
Opening Stock	6,200	Sales	82,920
Buildings	34,000	Capital	24,000
Furniture	2,000	Bank Loan	6,000
Purchases	42,000	Sundry Creditors	9,840
Salaries	4,400	Return Outwards	840
Rent	1,200	Interest	260
Miscellaneous Expenses	100	Dividend	220
Postage	560		
Stationery	520		
Wages	10,400		
Freight on Purchases	1,120		
Carriage on Sales	1,600		
Repairs	1,800		
Sundry Debtors	12,000		
Bad Debts	240		
Cash in Hand	2,600		
Return Inwards	2,040		
Total	1,24,080	Total	1,24,080

The value of stock as on 31.12.2022 was estimated at Rs.5,960. You are required to prepare Trading and Profit & Loss account and Balance Sheet as on 31st December 2022.

(or)

- 11.(b). Show how the following items will appear in the capital accounts of the partners, Babu and Gopu when their capitals are fluctuating: CO4 K3

Particulars	Babu (Rs.)	Gopu (Rs.)
Capital on 01.01.2023	8,00,000	7,00,000
Drawings during 2023	1,60,000	1,40,000
Interest at 5% on drawings	4,000	2,000
Shares of Profits for 2023	84,000	66,000
Interest on Capital at 6%	48,000	42,000
Salary	72,000	Nil

- 12.(a). Manian Ltd., of Calcutta has a branch at Patna. Goods are invoiced to the Patna branch, CO5 K2 the selling price being cost plus 25%. The Patna branch keeps its own sales ledger and transmits all cash received to Calcutta. From the following details prepare the Patna branch a/c for the year 2021.

Particulars	Rs.
Stock (01.01.2021) (invoice price)	1,250
Stock (31.12.2021) (invoice price)	1,500
Debtor (01.01.2021)	700
Debtor (31.12.2021)	900
Cash Sales for the year	5,400
Credit Sales for the year	3,500
Goods Invoiced from Calcutta	9,100
Rent	400
Wages	340
Sundry Expenses	80

(or)

- 12.(b). Following is the statement of Receipts and Payments of Krishna Charitable Institution CO5 K3 for the year 2020-2021.

Receipts	Rs.	Payments	Rs.
To Balance:		By Charities	14,500
Cash on Deposit 5,000		By Salaries	2,600
Cash on Current A/c 2,400		By Rent and Taxes	1,200
Cash in Hand 300	7,700	By Printing	300
To Donation	8,000	By Postage	100
To Subscription	7,000	By Advertisement	250
To Endowment Fund Receipts	15,000	By Furniture	750
To Legacies	3,000	By Insurance	750
To Interest on Investment	9,500	By Investment	14,000
To Interest on Deposits	150	By Advance Building	5,000
To Sales of old Newspaper	75	By Balance :	
		Cash on Deposit	8,000
		Cash on Current A/c	2,250
		Cash in Hand	725
Total	50,425	Total	50,425

Prepare the Income and Expenditure Account for the year ended 31st March, 2021 after considering the following:

- (a) It was decided to treat one-half of the amount received on account of Donations as income
(b)

Particulars	01.04.2020	31.03.2021
Rent Due	250	300
Prepaid Rent	350	200
Salaries Due	150	450
Advertisement Due	100	150
Subscription Due	200	400
Subscription paid in Advance	400	500

- (c) Interest on Investment Rs.400 through accrued, was not actually received.