

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 - NOVEMBER 2025

SEMESTER - I

25UPACT1001 - Financial Accounting - I

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **TWENTY** questions (20 × 2 = 40 Marks)

- Financial position of the business is ascertained on the basis of
 - Records prepared under book-keeping process.
 - Trial balance.
 - Balance Sheet.
- If Mr. ABC starts a business M/s ABC & Co., with a capital of ₹10,000, this amount is shown as a liability in the books of M/s ABC & Co. as per
 - Dual Aspect
 - Entity concept
 - Liability measurement
 - Cost
- Entrance fees of ₹2,000 received by Ram and Shyam Social Club is
 - Capital receipt
 - Revenue receipt
 - Capital expenditure
- What is the underlying principle that supports the immediate recognition of a loss?
 - Matching
 - Conservatism
 - Consistency
- Human resources can't be shown in balance sheet because of concept.
 - Realization
 - Conservatism
 - Money Measurement.
- If a purchase of ₹500 is posted to the debit of the supplier's account, it is an:
 - Error of principle
 - Error of omission
 - Error of commission
- An entry for rent paid ₹500 wrongly posted to the debit of repairs account will be corrected by:
 - Debiting rent and crediting repairs ₹500
 - Debiting repairs and crediting rent ₹500
 - Debiting cash and crediting rent ₹500
- Overcasting of cash column in cash book will:
 - Increase cash book balance
 - Decrease pass book balance
 - Increase pass book balance

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9. Who prepares the Bank Reconciliation Statement
 - (a) Debtor
 - (b) Creditor
 - (c) Account holder
10. If the trial balance does not tally, the difference is transferred to:
 - a) Suspense account
 - b) Profit & Loss account
 - c) Trading account
11. Straight Line Method gives:
 - a) Equal depreciation each year
 - b) Reducing depreciation
 - c) Increasing depreciation
12. Reducing Balance Method charges depreciation on:
 - a) Original cost
 - b) Written down value
 - c) Market value
13. The method of valuing inventory at lower of cost or market price is based on:
 - a) Consistency concept
 - b) Prudence concept
 - c) Going concern concept
14. Amortisation applies to:
 - a) Land and buildings
 - b) Patents and goodwill
 - c) Plant and machinery
15. The systematic allocation of the cost of an intangible asset is called:
 - a) Depreciation
 - b) Amortisation
 - c) Depletion
16. The person to whom the amount of promissory note is payable is known as:
 - a) Drawer
 - b) Drawee
 - c) Payee
17. When a bill is accepted, it becomes:
 - a) Asset for drawee
 - b) Liability for drawee
 - c) Liability for drawer
18. If a bill is dishonoured, the drawer's entry is:
 - a) Debit Bills Receivable
 - b) Debit Drawee's account
 - c) Credit Cash account
19. A bill discounted with bank but dishonoured will affect:
 - a) Cash account
 - b) Bank account
 - c) Drawee's account
20. A bill drawn on 1st June for 3 months will mature on:
 - a) 1st September
 - b) 3rd September
 - c) 4th September
21. In a Receipt & Payment Account, the closing balance represents:
 - a) Profit
 - b) Deficit
 - c) Cash in hand and at bank
22. Income and Expenditure Account is similar to:
 - a) Trading Account
 - b) Profit & Loss Account
 - c) Receipt & Payment Account
23. Every adjusting entry affects _____
 - a) Income statement only
 - b) Balance sheet only
 - c) Both Income statement and Balance sheet

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24. The main objective of preparing final accounts is to ascertain:
a) Financial position b) Cost of goods sold c) Expenses only
25. Depreciation charged on fixed assets appears in:
a) Profit & Loss Account b) Balance Sheet c) Both (a) and (b)

Section C

Answer any **FOUR** questions ($4 \times 5 = 20$ Marks)

26. Journalise the following transactions in the books of Mr. Rohan:
- (i) Purchased goods from Sahil for ₹50,000 plus CGST and SGST @ 9% each.
 - (ii) Purchased goods from Sam for ₹40,000 at a trade discount of 10% plus CGST and SGST @ 9% each. ₹20,000 was paid immediately and balance payable after 3 months.
 - (iii) Goods costing ₹20,000 withdrawn for personal use. Such goods were purchased by paying CGST and SGST @ 9% each.
 - (iv) Paid rent to Gagandeep for ₹30,000 plus CGST and SGST @ 6% each.
 - (v) Goods costing ₹5,000 (before trade discount of 10%) returned to Sam. Such goods were purchased by paying CGST and SGST @ 9% each.
 - (vi) Purchased furniture for ₹44,800 including IGST @ 12%.
 - (vii) Purchased machinery from M/s Symphony industries for ₹1,40,000 plus CGST and SGST @ 9% each. Paid ₹1,00,000 immediately and balance to be paid after two months.
27. Prepare a Bank Reconciliation Statement from the following particulars. You are required to ascertain the Bank Balance as it would appear in Cash Book of Shri Gobind as at 31st December, 2017.
- 1. The Bank Pass Book showed an over-draft of ₹9,500/- on 31st December, 2017.
 - 2. Interest on overdraft for six months ending 31st December, 2017 ₹250/- is debited in the Pass Book, but is not entered in the Bank Column of Cash Book.
 - 3. Cheques issued but not cashed, prior to 31st December, amounted to ₹1,500.
 - 4. Club bill directly debited to his bank account not yet reflected in the Cash Book ₹2,700/-.
 - 5. Cheques paid into Bank, but not cleared and credited before 31st December ₹2,500.
 - 6. Interest on investments collected by the bankers and credited in the pass book amounted to ₹1,800.

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7. Shri Gobind issued a cheque of ₹900 for his LIC Premium, which was returned as the amount in figure and words was not tallying. Shri Gobind, therefore paid premium by cash and this was not rectified in his books of accounts.
28. A firm purchased second hand machinery on 1st January, 2019 for ₹3,00,000, subsequent to which ₹60,000 and ₹40,000 were spent on its repairs and installation respectively. On 1st July, 2020 another machinery was purchased for ₹2,60,000. On 1st July, 2021, the first machinery having become outdated was auctioned for ₹3,20,000 and on the same date, another machinery was purchased for ₹2,50,000. On 1st July, 2022, the second machinery was also sold off and it fetched ₹2,30,000. Depreciation was provided on machinery @ 10% on the original cost annually on 31st December, under the straight-line method.
29. Aditi Swapnil Gade, A- 16 Venkatesh Heritage, Pune 411 052, drew a bill on 15th November, 2010 of ₹25,000 after sight for 90 days on Sunita Vikaschandra Gade, 62 Bhoitenagar, Jalgaon. Payable to Sushma Arun Khare, 25 Anup Trade Centre, Chalisgaon. The bill was accepted for ₹22,500/- only on 18th November 2010. Prepare a bill of Exchange.
30. The following is the Trial Balance of Chandran on 31st Dec. 2017.

Particulars	Debit	Credit
Capital Account		10,00,000
Inventory account	2,00,000	
Cash in hand	1,44,000	
Machinery account	7,36,000	
Purchases account	18,20,000	
Wages account	10,00,000	
Salaries accounts	10,00,000	
Discount allowed account	50,000	
Discount received account		30,000
Sundry office expenses account	6,00,000	
Sales account		50,00,000
Sums owing by customer (Trade receivables)	8,50,000	
Trade payables (sums owing to suppliers)		3,70,000
Total	64,00,000	64,00,000

Value of Closing Inventory on 31st Dec. 2017 was ₹2,70,000

Required:

Prepare closing entries for the above items and Prepare Trading and Profit and Loss Account.

31. Classify the different types of errors.
