



22102195

QP CODE: 22102195

Reg No :

Name :

**B.COM DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE
EXAMINATIONS, JULY 2022**

First Semester

Core Course - CO1CRT02 - FINANCIAL ACCOUNTING I

Common for all B.Com Degree Programmes

For Regular Candidates : 2017 Admission Onwards

For Private Candidates : 2021 Admission Only

EA3B3E29

Time: 3 Hours

Max. Marks : 80

Instructions to Private candidates only: This question paper contains **two** sections. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**

SECTION I

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Which are the Fundamental Accounting Assumptions?
2. What is Balance Sheet?
3. Pass journal entries for rectifying the following errors :
 1. An amount of Rs.800 received on account of interest was credited to commission account.
 2. Carriage on purchase of machinery Rs3000 was debited in the carriage account.
4. Prepare a balance sheet from the following;

| Particulars | Amount | Particulars | Amount |
|---------------|-----------|----------------------|----------|
| Opening Stock | 2,25,000 | Furniture & Fittings | 1,36,000 |
| Building | 6,36,000 | Creditors | 55,000 |
| Cash in Hand | 46,000 | Cash at bank | 95,000 |
| Capital | 10,75,000 | Loose Tools | 65,000 |
| Debtors | 85,000 | Closing Stock | 67,000 |
5. What is total debtors account and mention major items in total debtors account?





6. From the following particulars, find out the amount of Opening Stock. Purchases Rs.20,000 Rates of Gross Profit on Sales 25% Sales Rs.30,000 Closing Stock Rs.10,000
7. Calculate credit purchase prepare total creditors account; Opening creditors- Rs. 4,800, cash paid to creditors- Rs. 32,400, Discount allowed by creditors- Rs.1,800, Return outwards - Rs.1,800, Bills accepted during the year- Rs.7,500, Closing creditors Rs.10,800.
8. How irrecoverable short working account closed?
9. What are Non Recurring expenses ?
10. What is the treatment of baddebt when there is no delcredere commission?
11. A consigned 100 bales of cloth to B at Rs. 10,000 per bale. A incurred the following expenses.
Packing and forwarding charges Rs. 1,000; Insurance in transit Rs. 4,000
B received the consignment and sold 80 bales at Rs. 16,000 per bale. They incurred the following expenses.
Freight and Cartage Rs, 6,000 ; Insurance of godown Rs. 800; Salesman's salary Rs. 3,200.
Ascertain the value of consignment stock.
A consigned goods costing Rs. 50,000 to B whose recurring and non recurring expenses on the same amounted to Rs. 5,000 and Rs. 2,000 respectively.B sold 3/4th of the goods for Rs,35,000. Ascertain the value of unsold stock.
12. How will you treat drawings of crop products under farm accounting?

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. A fire occurred in the premises of Essar Ltd on 25 January,2019 and goods of the cost of Rs.5,00,000 were lost for which insurance company admitted a claim of Rs.3,80,000 on 29th January,2019. Pass necessary journal entries.
14. Ron kept his books on single entry system. His position on 31st March 2005 was as follows; Cash in hand-Rs.200, cash at bank -Rs3000, Stock -Rs20,000, Sundry debtors- Rs8,500, Fixtures and Fittings-Rs1,800, Plant and machinery-Rs15,000, sundry creditors- Rs22,000. Ron put Rs.5,000 During the year as a new capital and his drawings were Rs750 per month. His position on 31st March 2007 as follows; Cash in hand Rs300, Cash at bank-Rs2,000, Sundry debtors-Rs14,000, Stock-Rs19,000, plant and machinery- Rs27,000, fixtures and Fittings-Rs1,500, Sundry creditors-Rs29,000. From the above information prepare statement of Affairs showing profit or loss during the year ending.
15. Define single entry and explain the features and defects of single entry.





16. From the following balances taken from the books of Mr. Shaku prepare trading account and profit and loss of a trader for the year ending 31st March 2018

| Particulars | Amount | Particulars | Amount |
|------------------|--------|---------------------|----------|
| General Expenses | 1,200 | Salaries | 84,000 |
| Rent paid | 24,000 | Discount allowed | 10,400 |
| Electric Charges | 15,500 | Stock (1/04/2017) | 22,000 |
| Carriage Inward | 1,740 | Discount Received | 13,000 |
| Sales Returns | 9,000 | Sales | 2,97,500 |
| Purchase returns | 3,000 | Purchases | 1,03,250 |
| Wages | 80,800 | Stock (31/03/2018) | 24,500 |
| Advertisement | 5,400 | Commission received | 18,500 |
| Export Duty | 14,500 | Import Duty | 9,750 |

17. From the following particulars, prepare cattle account.

| | ₹ |
|------------------------------------|----------|
| Opening stock of livestock | 75,000 |
| Closing stock of livestock | 1,25,000 |
| Opening stock of cattle feed | 4,000 |
| Closing stock of cattle feed | 5,000 |
| Purchase of cattle during the year | 1,50,000 |
| Sale of cattle during the year | 2,50,000 |
| Sale of carcasses | 1,000 |
| Purchase of cattle feed | 12,500 |
| Wages of rearing cattle | 5,000 |

Crop worth ₹ 5,000 grown in the farm was used for feeding cattle.

Out of the calves born, four died and their carcasses realised ₹ 100.

18. Coal mines Co. took a lease from a landlord for a period of 10 years from 1st January 2000, on a royalty of Rs. 50 per tonne of coal raised with a minimum rent of Rs. 1,00,000 pa. and a power to recoup short working during first four years of the period of lease

The annual output was as follows

| Year | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------|-------|-------|-------|-------|-------|
| Output | 1,000 | 1,500 | 2,000 | 3,000 | 4,000 |

Prepare short working account in the books of coal Ltd.

19. Mr Kiran of Mumbai consigned goods of the value of Rs 15,000 to their agent Mr Gopu at Kolkata. Mr Kiran paid freight, insurance and other charges Rs 550 and drew a bill of exchange on Mr Gopu for Rs 13,000 at three months. The bill was discounted with the bankers at Rs 12,850. Mr Kiran received account sale of the consignment for Rs 17,290 less agents commission Rs 710 and a bank draft for the balance.





Pass journal entries in the books of Kiran and Gopu.

20. Neel Ltd of Tamilnadu sent 1,000 kg of oil at Rs 130 per kg to Kera Ltd of Kerala. The consignor paid Rs 7,500 on cartage, insurance and freight. During transit, due to leakage 50 kg of oil were spoiled which was normal. Kera Ltd took delivery of the consignment and spent Rs 5,000 on octroi and cartage. Kera's selling expenses were Rs 4,000. 800 kg of oil were sold at Rs 170 per kg. The consignee is to get a commission of 10% on gross sales.

Determine the value of stock. Also prepare consignment account

21. Explain recoupmnt of short working. Describe the different types of recoupmnt.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. From the following Trial Balance of a sole trader as at 31st December 2017. Prepare Trading and Profit and Loss account and Balance Sheet for the year ended 31st December 2017.

| Particulars | Debit | Credit |
|---|----------|----------|
| Capital | | 4,50,000 |
| Drawings | 40,000 | |
| Plant and machinery(1.1.17) | 1,20,000 | |
| Addition to plant and machinery on 1.7.17 | 1,10,000 | |
| Purchases | 4,00,000 | |
| Return outwards | | 10,350 |
| Debtors | 1,50,000 | |
| Return inwards | 20,000 | |
| Carriage outwards | 4,600 | |
| Rent and rates | 22,000 | |
| Trade expenses | 60,000 | |
| Insurance | 4000 | |
| Wages and salaries | 90,000 | |
| Bad debts | 8000 | |
| Reserve for bad debts | | 5,000 |
| Rent received | | 4,500 |
| Opening stock | 11,250 | |
| Cash at bank | 27,000 | |





| | |
|--------------|-----------------|
| Cash in hand | 3000 |
| Creditors | 1,50,000 |
| Sales | 4,50,000 |
| Total | 1069850 1069850 |

Adjustments to be made:

1. Closing stock is valued at Rs.8200
2. Rent receivable amounts to Rs.1500
3. Depreciation @10% per annum is required on plant and machinery
4. Provision for bad debts @ 5% is required on debtors.
5. Interest on capital @ 6% be provided
6. Interest on drawings @ 5% is needed.

23. Surya keeps her books of accounts under single entry system has placed cash receipts and payment during 2014 and summary of other transaction of 2014.

Balance sheet as on 31/12/2013

| Liabilities | Amount | Assets | Amount |
|---------------|----------|-------------------|----------|
| Bills payable | 7,000 | Cash at bank | 6,500 |
| Creditors | 20,000 | Bills receivables | 18,000 |
| 20% Bank Loan | 20,000 | Debtors | 38,000 |
| Capital | 78,000 | Stock | 58,500 |
| | | Furniture | 4,000 |
| | 1,25,000 | | 1,25,000 |

Cash Book

| Particulars | Amount (in Rs.) | Particulars | Amount (in Rs.) |
|-------------------|------------------|-------------------------|------------------|
| Balance b/d | 6,500 | Salaries and wages | 4,500 |
| Debtors | 1,20,000 | Carriage | 1,500 |
| Bills receivables | 42,000 | Bills payables | 25,000 |
| Sales | 82,000 | Creditors | 80,000 |
| | | Interest on loan | 2,500 |
| | | Purchases | 75,000 |
| | | Printing and stationery | 2,400 |
| | | Machinery | 20,000 |
| | | Buildings | 30,000 |
| | | Balance c/d | 9,600 |
| | 2,50,500 | | 2,50,500 |

Total purchases and sales during the year were 2,92,000 and 3,76,000 respectively. Bills





receivables received was 62,000, Bills payables accepted was 86,000. Closing stock is valued at 88,000. Provision for bad debt 5% is required. Provide 20% depreciation for furniture and machinery.

Ascertain the profit or loss of the business and prepare balance sheet for the year 2014.

24. The Airic co. Ltd. Leased a property from A at a royalty of Rs. 10 per tone with a minimum rent of Rs. 20,000 per annum. Each year excess of minimum rent over royalties is recoverable out of the royalties of the next five years. In the event of strike and minimum rent not being reached, the lease provided that minimum rent would stand reduced proportionate to time actually worked. The result of the workings were as follow:

| Year | Actual royalties |
|----------------------------|------------------|
| 2005 | nil |
| 2006 | 6,000 |
| 2007 | 18,500 |
| 2008 | 22,500 |
| 2008 | 35,000 |
| 2009 (strike for 4 months) | 12,000 |
| 2010 | 30,000 |

Pass journal entries and ledger accounts in the books of Airic Ltd.

25. Arjun of Asam consigned 100 sewing machines to sajan of Mumbai to be sold on his risk. The cost of one sewing machine was Rs 150, but the invoice price was Rs 200. Arjun paid freight Rs 600 and insurance in transit Rs 200.

Sajan sent a bank draft to Arjun for Rs 10,000 as advance payment and later sent an account sale showing that 80 sewing machine were sold at Rs 220 each. Expenses incurred by Sajan were: carriage inward Rs 25, Octroi Rs 75, godown rent Rs 500 and advertisement Rs 300. Sajan is entitled to a commission of 5% on sales

Journalise the above transactions in the books of Arjun and Sanjay.

(2×15=30)

