



Reg No : .....

Name : .....

**B.Com. Degree(CBCS)EXAMINATION, NOVEMBER 2019****First Semester****Core Course - CO1CRT02 - FINANCIAL ACCOUNTING I**

(Common to all B. Com Degree Programmes)

2017 Admission Onwards

8EE1816C

Time: 3 Hours

Maximum Marks :80

**Part A***Answer any ten questions.**Each question carries 2 marks.*

- On 31st December, the date of preparation of final account, Machinery appears at Rs.60,000. Depreciation @10% is required. Give adjusting entry.
- What are the features of Balance Sheet?
- Interest received during 2019 amounts to Rs. 2,800. On closing date interest accrued on investment amounts to Rs. 400. Give adjusting entry.
- Using the following data prepare balance sheet
 

Particulars	Amount	Particulars	Amount
Debtors	2,80,000	Creditors	4,86,000
Building	13,50,000	Bills payable	1,25,000
Cash in Hand	55,000	Cash at bank	2,05,000
Capital	28,25,000	Bills Receivable	41,000
Machinery	12,50,000	Closing Stock	2,55,000
- Write down the main difference between single entry and double entry system of accounting.
- Calculate Bills received from customers- Opening balance - Rs.15,000, Bills receivable endorsed in favour of creditors - Rs. 1,500, Bills receivable honoured - Rs.7,000 B/R dishonoured- Rs. 1,000, Closing balance - Rs. 20,000.
- From the following information find out total purchases for the year 2015. Sundry creditors and Bills payable as on ( 1.1.2015) - Rs. 40,000, Sundry creditors and Bills payable as on (31.12.2015) - Rs. 60,000, Cash paid during the year to creditors and bills payable - Rs 1,30,000 Discount allowed by suppliers- Rs.5,000, Cash purchases- 25,000.

8. What journal entry do you pass when short working is recovered and not recovered within the stipulated time in the books of lessee ?
9. What are the features of consignment?
10. What is the treatment of bad debt when there is no del credere 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=)

**Part B**

*Answer any six questions.*

*Each question carries 5 marks.*

13. Compare the accounting treatment of capital loss and revenue loss while preparing the books of accounts.
14. Prepare trading account and profit and loss of a trader for the year ending 31st March 2018 from the following data:

Particulars	Amount	Particulars	Amount
Stock (31/03/2017)	2,00,000	Salaries	1,20,000
Purchases	2,55,000	Rent, rates & taxes	22,000
Wages	1,00,000	Depreciation	4,500
Carriage	5,000	Repairs	7,500
Purchase returns	13,250	Discount allowed	12,805
Export Duty	9,000	Bad debts	5,400
Sales	8,75,000	Advertisement	18,700
Coal & Cake	25,000	Gas & Water	73,300
Sales returns	10,000	Factory Lighting	8,400
Printing and Stationery	2,250	General Expenses	9,900
Stock (31/03/2018)	3,50,000		



15. Arjun keeps books on single entry system. You are required to find profit or loss for the year ended 31/12/2012 and also prepare Final Statement of affairs on that date.

Assets and Liabilities 1/1/2012 31/12/2012

Stock	25,000	32,000
Cash in hand	1,500	3,400
Debtors	21,000	18,000
Bills receivables	15,000	14,000
Furniture	10,000	10,000
Motor Van	25,000	25,000
Creditors	15,000	17,000
Bank overdraft	20,000	19,000

The drawings during the year amounted to Rs. 2500, Depreciate furniture by 10% and write off 300 from Motor Van. Rs. 500 is irrecoverable from a debtor and provide 5% as provision for bad debt.

16. Explain the steps for the preparation of Trading and profit and Loss account and Balance sheet in conversion method?
17. What do you mean by recoupment of short working? Write the journal entries in the books of lessor on recoupment.
18. Prepare analysis table from this details; Royalty payable Rs 5. per tones of output, Minimum rent 75,000 pa., Short working of a year can be recouped on the next 2 years out of the excess royalty, Output during first five years -10000, 12200, 20800, 25500, 35500 tones respectively.
19. What are the journal entries in the books of Consignee?
20. Moving star sports ltd consigned 1000 cycles to XYZ cycle mart at Rs 1500 each. They paid freight Rs 1,00,000 and insurance Rs 15,000. During transit 100 cycles were totally damaged by fire. Insurance company admitted a claim of Rs 1,40,000 only.

Xyz cycle mart took delivery of 900 cycles and paid Rs 15,300 for octroi. 800 cycles were sold at Rs 2,200 each. They paid Rs 15,000 for advertisement and Rs 5,000 for selling expenses. The consignee was entitled to a commission of 5%. They settled their account by a bank draft.

Prepare consignment account and consignee's account in the books of moving star sports Ltd.

21. Prepare a Crop Account with imaginary figures.

(6×5=30)





**Part C**

*Answer any two questions.*

*Each question carries 15 marks.*

22. From the following Trial Balance of Siva prepare trading and profit and loss account and Balance Sheet for the year ended 30.3.2018

**Trial Balance as at 31.03.2018**

Particulars	Debit	Credit
Capital		35,000
Drawings	5000	
Purchases	26,000	
Purchase Return		2000
Opening Stock	8000	
Salary	4000	
Wages	1500	
Rent	500	
Bad debts	500	
Discount allowed	600	
Sundry debtors	18,000	
Cash in Hand	500	
Cash at Bank	6000	
Insurance	600	
Trade expenses	450	
Printing	200	
Furniture	6500	
Building	6000	
Sales		34,350
Discounts		2000
Sundry creditors		10,000
Bills Payable		1000
Total	84,350	84,350

## Additional Informations:

1. Closing stock was valued at 6000
2. Insurance was prepaid to the extent of 100
3. Outstanding expenses are Salary Rs.300 and wages Rs.350
4. Make a provision for doubtful debts at 5% on sundry debtors.
5. Calculate interest on capital at 5% p.a
6. Depreciate building at 5% and furniture at 10%
7. Discount on creditors at 1%

23. Mr. Bobby does not keep his books under double entry system. The following are his assets and liabilities as on opening and closing dates of 2016.

Assets and liabilities 1/1/2016 31/12/2016

Debtors	10,500	15,000
Creditors	9,100	10,200
Bills payable	4,300	4,800
Bills receivables	6,400	7,600
Stock	17,300	21,300
Furniture	8,000	?

Bobby's cash book as follows

Receipts	Amount ( in Rs.)	Payments	Amount ( in Rs.)
Balance 1/1/2016	4,300	Salaries	5,000
Sales	66,000	Wages	4,500
Debtors	48,000	Purchases	43,500
Bills receivables	16,700	Creditors	28,000
		Drawings	2,500
		Office expenses	12,800
		Bills payables	6,600
		Investment in shares	22,000
		Balance on 31/12/2016	10,100
	1,35,000		1,35,000

Discount allowed to debtors is Rs.2,200, discount allowed by creditors is Rs.2,300, bad debts written off is Rs.300. Provision for doubtful debts is at 5%, Depreciation at 10 % on furniture, interest accrued on investment amounted to 2,200. Prepare profit and loss account and balance sheet for 2016.

24. Mr. A owned certain patent right. He granted a license to M/s B & Sons to use such right on a royalty basis. The following are the relevant particulars:

Year	Minimum rent	Royalty earned
2005	1,750	1,500
2006	2,000	1,800
2007	2,250	1,900
2008	2,500	2,750
2009	2,500	2,600

The deficiency of any year is to be set off against excess payable within the next two years. Prepare necessary ledger accounts.

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 sales showing that 80 sewing machines 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 Sajan.

(2×15=)