QP CODE: 19101066

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Reg No : .....

Name : .....

B.Com. DEGREE (CBCS)EXAMINATION, DECEMBER 2018

First Semester

Core Course - CO1CRT02 - FINANCIAL ACCOUNTING I

(Common to all B. Com Degree Programmes)

2017 Admission (Reappearance)

93AB09C7

Maximum Marks: 80 **Time: 3 Hours**

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Expenditure incurred by the business are classified as capital and revenue expenditures.Justify
2. What is Capital Receipt?
3. Give adjusting entry for interest on drawings?
4. What do you mean by profit and loss account?Explain its need.
5. State major defects of single entry system?
6. Find the cost of goods sold from the following; Opening stock Rs. 40,000, Closing stock Rs.42,000, Purchases Rs.2,40,000 if gross profit is 25% on sales find out the sales figures
7. Write down the perfoma of Bills payable account?
8. Distinguish between fixed right and fluctuating right of recoupment.
9. What do you mean by Consignment?
10. What is the treatment of baddebt when there is delcredere commission?
11. A consigned 100bales 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. Define farm accounting.

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What are the objectives of Accounting Standards?

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. Ashok Keeps his books under incomplete system. His position as on 1/4/2016 as follows: Cash in hand -Rs.5,500, Cash at bank- Rs.4,500. Stock in trade- Rs.20,000. Debtors- Rs.6,000,Furniture- Rs.10,000, creditors- Rs.8,000. On 31/03/2017 his position as follows; Cash in hand- Rs.3,000, Cash at bank- Rs. 2,000, Stock in tradeiturez- Rs.23,000, Debtors- Rs.17,000, Bills receivables- 6,000, Furniture- Rs.10,000, Creditors- Rs.7,000. During the year ashok withdrew Rs.3,000, for personal use, and introduced Rs. 2,000 as additional capital. Calculate profit or loss of the firm and also prepare final statement of affairs after considering a) Interest on opening capital 10%, b) 15% depreciation on furniture, c) Provision for bad debts 5%.

16. Explain the steps for the prepration of Trading and profit and Loss account and Balance sheet in conversion method?

17. The Bengal mine company obtained a mine on lease for a period of 30 years beginning from 1-1-2000 on the following terms.

1)To pay minimum rent of Rs. 24,000 pa.

2)Each years short working can be recovered during the subsequent two years .

3) Due to accident or strike minimum rent is to be reduced by 25% for that year .

4) Royalty was to be calculated at 50 paise per tonnne

5)Production during four years were

Year:	2000	2001	2002	2003
Production:	28,000	36,000	60,000	44,000(in 2003strike for 3 months)

Prepare an analysis table.

18. Coal Mines Co took a lease from Richard for a period of 10 years from 1st January 2000, on a royalty Rs. 50 per ton of coal raised with a minimum rent of Rs 1,00,000 p.a. and power to recoup short workings during the first four years of the period of lease.

The annual output was as follows

Year	2000	2001	2002	2003	2004
Output in tons	1,000	1,500	2,000	3,000	4,000

Prepare short workings suspense account in the books of Richard.

19. On 1/1/2017 A consigns 300 bales of cotton to B costing Rs. 400 each.A paid Rs.4,000 on freight and other charges. B spends Rs. 1,200 on it and sells each bale at Rs. 520 each.He charges 5% commission.

Show the Consignment in the books of A.

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. From the following information, prepare crop account.

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Opening stock:	
Fertiliser	25,000
Seeds	10,000
Wheat	40,000
Purchases:	
Fertiliser	9,000
Seeds	6,000
Wages:	
Paid in cash	58,000
Paid in kind by giving wheat	36,000
Sale of wheat	3,56,000
Wheat consumed by the proprietor	16,000
Depreciation on machinery	20,000
Closing stock:	
Fertiliser	7,000
Seeds	6,000
Wheat	50,000

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. From the following Trial Balance prepared from the books of Krishna on 30th June 2017, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Debit	Credit
Capital		1,20,000
Drawings	10,500	

Bill receivable	9,000	
Purchases	2,56,600	
Sales		3,56,400
Return Inwards	2,700	
Opening stock	89,680	
Commission		5,670
Plant & Machinery	28,300	
Salaries	11,000	
Travelling expense	1,880	
Debtors(including Mohan's dishonored cheque Rs.1000)	62,000	
Stationery	2,000	
Telephone charge	1,300	
Interest & Discount	5,940	
Bad debt	3,620	
Furniture & Fitting	8,970	
Creditors		53,910
6% Loan		24,000
Wages	40,900	
Cash in hand	530	
Cash at bank	19,040	
Insurance(including premium of Rs. 300p.a. paid up to 31-12-2016)	400	
Rent & Taxes	5,620	
Total	5,59,980	5,59,980

Adjustments

1. Closing stock is valued at Rs. 1,28,960.
2. Write off half of Mohan's cheque.
3. Create a provision of 5% on debtors.
4. Wages include Rs. 1200 for erection of machinery purchased last year.
5. Depreciate Plant & Machinery by 5% and Furniture by 10%.
6. Commission accrued Rs. 600.
7. Interest on loan for the last two months is not paid.
8. Stationery includes a stock of stationery valued at Rs. 300 on 30th June 2016.

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. A company took the lease of a coalfield for a period of 25 years from 1st January 2010 on a royalty of Rs.1 per tonne with a minimum rent of Rs. 10,000 and power to recoup the Short working during the first three years of the lease . The annual raising was:

Year	2010	2011	2012	2013
Raising	6,000	9,000	12,000	1,50,00

Give journal entries and ledger accounts in the books of the company

25. M Ltd. Chennai, forwarded on 1 st June 2018- 50 mopeds to Mr Savy & Co., of Mumbai to be sold on its behalf. The cost of one moped was Rs.1,600, but the invpice price was Rs. 2,000. M Ltd insured Rs. 10,0000 on freight and insurance. The consignment was received by Mr Savy & Co. on 10 th June 2018. He also sent abank draft for Rs.75,000 as advance against consignment.Mr Savy & Co. also incurred Rs.600 on godown rent and Rs.1,400 an advertisements. On 10 th August 2018 Mr Savy & Co. sent account sales stating that he had sold 45 mopeds at a proce of Rs.2,150 each.He is also entititled to a commission of 5% on gross sales.

Pass journal entries to record the above transactions in the books of M Ltd. and Mr Savy & Co., assuming that the balance due by Mr Savy & Co. is sent by bank draft on 31st August.

(2×15=30)