QP CODE: 21102465

Reg No : .....

Name : .....

B.COM DEGREE (CBCS) EXAMINATIONS, OCTOBER 2021

First Semester

Core Course - CO1CRT02 - FINANCIAL ACCOUNTING I

(Common for all B.Com Degree Programmes)

2017 Admission Onwards

4B375BC5

Time: 3 Hours Max. Marks : 80

Part A

*Answer any **ten** questions.*

Each question carries 2 marks.

1. Which are the Fundamental Accounting Assumptions?
2. What do you mean by Capital Expenditure?
3. What is accrued income?
4. Insurance premium paid during 2019 is Rs. 12,000, of which two months insurance is prepaid. Pass adjusting entry for the prepaid insurance.
5. What you meant by total creditors account and mention the items in total creditors account?
6. Find the capital at the beginning of the year; capital at the end of the year - Rs.70,000, Drawings during the year- Rs. 15,000, Capital introduced during the year - Rs. 5,000, Profit during the year - Rs. 18,500
7. Ascertain the amount of bills payable as on 1.1.2009. Bills payable issued in favour of creditors during 2009- Rs 30,000, Bills payable dishonoured- Rs.5,000, Bills payable paid during the year- Rs. 20,000 Bills payable on 31.12.2009 – Rs.10,000.
8. Distinguish between royalty payable and royalty receivables.
9. What is consignor account?
10. Ascertain the value of closing stock from the information given below:

Number of units consigned	10,000	Consignee's expenses:	
Rate	Rs. 4 per unit	Carriage, cartage	Rs. 150
Expenses of the consignor	Rs. 1,475	Rent	Rs.100
No of units sold	8,000		

3	285	35
4	515	50

Show the ledger accounts in the books of Raju & Co.

royalty of Rs 3 per copy sold , subject to a minimum of Rs 5,000 p. a. and the short workings of each year could be recovered in next three years . The copies sold were;2011 – 800; 2012 – 1,500 ; 2013 – 2,200 ; 2014 – 2,000 ; 2015 – 3,000. Show the irrecoverable short workings if any.

19. On 1st July 2013 ABC Ltd consigned 200 radios to RST Brothers. The cost of each radio was Rs 400. ABC Ltd paid Rs 5,000 for freight and insurance. On 7th July 2013 RST Bros accepted a 3 months bill drawn upon them by ABC Ltd for Rs 50,000. RST Bros paid Rs 2,200 as rent and Rs 1,300 for advertisement and upto 31st December, 2013 (on which date ABC Ltd closes their books of account). They sold 180 radios at Rs 500 each. RST Bros were entitled to a commission of 5% on sales.

Give journal entries and prepare necessary accounts to record the above transactions in the books of the parties.

20. On 1st January 2017, Madhurai and Sons consigned to Venu goods costing Rs20,000. They paid freight and insurance amounting to Rs 1,500 and drew on Venu a bill for Rs 10,000 payable after 3 months. The bill was discounted with the bank for Rs 9,950. On 1st July 2017, an account sale was received from Venu showing that ¾ of the consignment was sold for Rs 30,000. The expenses of the consignee amounted to Rs 750 and he was to be paid commission at 7%.

A customer who had purchased goods on credit for Rs 1,500 could not pay the amount. You are required to prepare the important ledger accounts in the books the consignor and consignee.

21. From the following information, prepare crop account.

	₹
Opening stock:	
Fertiliser	5,000
Seeds	12,000
Rice	30,000
Purchases:	
Fertiliser	8,000
Seeds	5,000
Wages:	
Paid in cash	50,000
Paid in kind by giving rice	12,000
Sale of rice	3,16,000
Rice consumed by the proprietor	16,000
Repairs on machinery	8,000
Depreciation on machinery	10,000
Closing stock:	
Fertiliser	7,000

11. A consigned 200 tonnes of coal to B at Rs.300 per tonne. Freight and insurance paid by consignor amounted to Rs. 4,000. Loss due to loading and unloading of coal is estimated at 5 tonnes. 76 tonnes coal is sold at Rs. 800. Ascertain the value of unsold stock.

12. How will you treat wages paid in kind to the workers under farm accounting?

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. State the limitations of accounting.

14. Determine cost of goods produced and gross profit from the following data

	Opening Stock	Closing Stock
Raw materials	1,30,000	90,000
Work -in- progress	34,000	26,000
Finished Goods	96,400	74,000
Transactions during the year		
Purchase of materials		4,00,000
Wages		2,50,000
Stores Consumed		30,000
Indirect Wages		72,000
Factory rent		24,000
Depreciation on plant and machinery		40,000
Sales		11,20,000
Purchase of Finished goods		10,000

15. Elaborate the difference between single entry and double entry system of accounting.

16. Akshay commenced business on 1st January 2016 with a capital of Rs.30,000. Some thereafter he bought furniture and fixtures for Rs.4,000. On 30th June 2016 he borrowed Rs.10,000 from his sister at 12% interest per annum(its is not yet paid). And introduced further capital of his own amounting to Rs.3,000. He withdrew Rs. 600 per month for his personal expenses. On 31st December 2016 his position was as follows. Cash in hand Rs.400 Cash at bank Rs.5,200 Sundry debtors Rs.10,200 Stock Rs. 10,000 Bills Receivables Rs.3,300 Sundry creditors Rs.1,000 and owing for rent Rs.300. Furniture and fixtures are to be depreciated by 10%, ascertain the profit or loss made by Akshay during 2016.

17. Show how shortworkings are recouped with suitable examples?

18. Vikas Publishers published a book written by Swamy on the terms that he will get a

Seeds	6,000
Rice	50,000

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. The following is the Trial Balance of Kumar as on 31st March, 2018.

Particulars	Dr.(Rs.)	Cr.(Rs.)
Cash in hand	540	
Cash at bank	12,630	
Purchases	1,40,675	
Sales account		2,58,780
Returns inwards	2,580	
Returns outwards		1,500
Wages	20,480	
Fuel and power	4,730	
Carriage on sales	3,200	
Carriage on purchases	2,040	
Stock account (1st April ,2006)	25,760	
Buildings	30,000	
Freehold land	20,000	
Machinery	20,000	
Patents	7,500	
Salaries	15,000	
General expenses	13,000	
Insurance	600	
Drawings	15,245	
Capital		
Sundry debtors	14,500	
Sundry creditors		82,000
		6,300
	3,48,580	3,48,580

Taking into account the following adjustments, prepare Trading and Profit and Loss Account and the Balance Sheet:

1. Stock on hand on 31st March, 2018 is Rs. 25,300.
2. Machinery is to be depreciated at the rate of 10% and patents at the rate of 20%
3. Salaries for the month of March,2018 amounting to Rs. 1,400 were unpaid.

4. Insurance includes a premium of Rs. 170 on a policy, expiring on 30th September 2018.
5. Wages include a sum of Rs. 2,000 spend on the erection of a cycle shed for employees and customers.
6. A provision for bad and doubtful debts is to be to created to the extent of 5 percent of Sundry Debtors.

23. Sam commenced business on 1/1/2016 with capital of Rs.45.000. He immediately purchased furniture of Rs.24,000. During the year he received a gift of Rs.3,000 from his uncle and borrowed Rs.5,000 from his father. He had withdrawn Rs.600 per month for his personal expenses. He had no bank account and all dealing were in cash. From the following information prepare trading and profit and loss account for the year ended 31/12/2016.

Sales (including cash sales Rs.30,000)	1,00,000
Purchases (including cash purchases Rs. 10,000)	75,000
Carriage inwards	700
Wages	300
Discount allowed to debtors	800
Salaries	6,200
Bad debt written off	1,500
Trade expenses	1,200
Advertisement	2,200

He used goods worth Rs.1,300 for personal use and paid Rs. 500 for his son. On 31/12/2016 his debtors were Rs.21,000, creditors Rs.15,000, Stock in trade Rs.10,000, Furniture depreciated by 10%.

24. Mr. Ramanujan patented an automatic door closer and granted to MrRaju the licence to manufacture and sell the closers for 10 years on the following terms .

1. Raju to pay a royalty of Rs 5 for every closer sold with a minimum rent of Rs 2,500 p.a.
2. Raju could set off the short workings arising in any year against surplus royalties payable in the next 2 years .
3. From the second year onwards , the dead rent is agreed upon at Rs 2,000 instead of Rs 2,500 and all the other terms being unchanged. The other details are:

Year	production (units)	closing stock (units)
1	125	25
2	225	50
3	285	35
4	515	50

Show the ledger accounts in the books of Raju & Co.

25. KYC Industries Ltd, UP consigned 200 motors in January to their agent Jaihind Motors, Andrapradesh. A motor costs Rs 300, but its invoice price is Rs 400. The consignors paid freight Rs 1,200 and carriage Rs 800.

Jaihind motors took delivery of the goods by paying Railway charges Rs 500, customs duty Rs 200 and clearing charges Rs 300. They are entitled to a commission of 10% on sales. The consignors drew a three months bill on the consignee for Rs 40,000, who discounted it for Rs 39.000.

At the end of the year, Jaihind motors reported that 150 motors were sold @ Rs 440 each, the selling expenses thereon being Rs 2,800.

Pass journal entries and prepare consignment account and Jaihind Account in the books of KYC Industries Ltd.

(2×15=30)