E 8377 (Pages : 6) Reg. No.....

Name.....

B.Com. DEGREE (CBCS) EXAMINATION, JANUARY/FEBRUARY 2018

First Semester

Core—FINANCIAL ACCOUNTING—I

(Common to Model I, II and III)

[2017 Admissions]

Time : Three Hours Maximum Marks : 80

Part A

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

1. What is fictitious assets ?
2. From the information ascertain cost of Goods Sold :

		Rs.
(a) Opening stock	—	15,000
(b) Purchases	—	35,000
(c) Direct Expenses	—	4,000
(d) Sales	—	80,000
(e) Closing Stock	—	12,000

3. Define Single Entry.
4. From the following informatics ascertain the amount of profit or loss earned by Alex during 2015 :

		Rs.
Capital 01-01-2015	—	70,000
Capital 31-12-2015	—	1,20,000
Drawings during 2015	—	30,000
Additional capital during 2015	—	40,000

5. What is Fixed Rent ?
6. Define Royalty.
7. What is pro forma invoice ?
8. What is loading ?

Turn over

9. What is live Stock Account ?
10. What are the objectives of Form Accounting ?
11. Define GAAP.
12. What do you mean by conversion method ?

(10 × 2 = 20)

Part B

Answer any **six** *questions.*
Each question carries 5 marks.

13. From the following data, ascertain the amount of debtors as on 01-01-2016 :

		Rs.
Sales (including cash sales Rs. 20, 000)	...	80,000
B/R received	...	20,000
Cash received from debtors	...	60,000
Discount allowed to debtors	...	10,000
Bad debt	...	6,000
Returns inwards	...	10,000
Bad debt	...	6,000
Returns inwards	...	10,000
Bad debt recovered	...	4,000
B/R Dishonoured	...	10,000
Debtors on 31st December 2016	...	30,000

14. On 1st January 2013 X Ltd., tools on lease a coal field from Y Ltd. on a royalty of Rs. 8 per tonne of coal raised payable on 31st December every year. The following are the results of working for the first three years :

Year		*Production in Tonnes*
2013	...	4,000
2014	...	6,000
2015	...	7,000

Give journal entries and Ledger Accounts in the books of X Ltd. for the three years.

15. Explain briefly the treatment of bad debt in Consignment Account.

16. Tin Toys Ltd. of Mumbai Consigned 200 toys to Sangeetha Gift House Changanachery to be sold on consignment basis. The cost of each toy was Rs. 250. The consignor paid Rs. 500 for packers and forwarded expenses. The consignee was entitled to a commission of 10 % on gross sales. The following expenses were paid by the consignee.

    Freight Rs. 800, carriage Rs. 200 selling expenses Rs. 1,000. The consignee sold the entire consignment for Rs. 70,000. Give journal entries in the books of the consignor and consignee, assuming that the consignee settled his account by a bank draft.

17. Explain the advantages of farm accounting ?

18. What do you mean by recoupment of short working ? What entries the lessee may pass in his books ?

19. On 1st January 2012 the Royal mines leased some land for a minimum rent of Rs. 5,000 for the first year Rs. 6,000 in the second year and there after 10,000 per annum merging into a royalty of 50 paise per ion with power to recoup short working over two years after occurring of short working. The output were as follows :

Year	:	2012	2013	2014	2015
Output	:	2,500	7,600	24,000	40,000

Show the necessary journal entries in the books of Royal Mines.

20. The following is extracted from the Trail Balance as on 31st December 2016 :

	Particulars		*Debit* Rs.	*Credit* Rs.
(a)	Debtors	...	21,500	
(b)	Discount Allowed	...	800	
(c)	Provision for discount on debtors (1/1/2016)	...		900
(d)	Bad debt	...	1,200	
(e)	Bad debt recovered	...		300
(f)	Additional Information			
(g)	Bad debt to be written-off Rs. 500			
(h)	Provision required for bad debt Rs. 1,000.			
(i)	Provisions required for discount on debtors 3 %.			

Prepare provisions for discount on debtors Account and also show how it will appear in Profit and Loss Account and Balance Sheet.

21. What do you mean by adjusting entries ? Give adjusting entries for :
    (a) Provision for bad debt.
    (b) Provision for discount on creditors.
    (c) Interest on capital.

(6 × 5 = 30)

Part C

Answer any **two** *questions.*
Each question carries 15 *marks.*

22. Explain Accounting principles.

23. The following are the details of trail balance of Mr. Ray Quick for the year 2015 :

Particulars	*Amount* Rs.	*Particulars*	*Amount* Rs.
Purchase	... 3,90,000	Bad debt Provision	... 1,000
Returns	... 5,000	Sales	... 5,25,000
Machinery	... 75,000	Discount Received	... 1,250
Cash in hand	... 7,320	Capital	... 1,24,945
Discount allowed	... 400	Creditors	... 27,000
Interest	... 1,100		
Debtors	... 56,000		
Salaries and wages	... 32,000		
Factory Wages	... 37,500		
Carriage inwards	... 1,000		
Carriage outward	... 1,100		
Electricity	... 3,050		
Bad debt	... 225		
Stock (01-01-2015)	... 45,000		
Furniture	... 12,500		
Premises	... 12,000		
	6,79,195		6,79,195

Adjustments :

(a) Closing stock is valued at Rs. 51,000.

(b) Bad debt provision Rs. 600.

(c) Interest on capital 10 % P.A.

(d) To be transferred to General Reserve 20 % from Profit.

(e) Depreciate Machinery by 20 % and premises at 10 %.

Prepare final accounts for the year ended 2015.

24. On 01-01-2014 Mr. Joy started business with 50,000. On the same day he Purchased Machinery for 8,000. The following were his transactions for the year 2014 :

		Rs.
Total Purchases (Cash Purchases 60,000)	...	1,00,000
Total Sales (Cash Sales 85,000)	...	1,40,000
Carriage paid	...	6,000
Salary paid	...	5,000
Insurance paid	...	3,000
Drawings	...	4,000

On 31-12-2015 stocks of goods was valued at Rs. 15,000. Debtors and Creditors were Rs. 12,000 and Rs. 10,000 respectively carriage outstanding Rs. 700. Depreciation of machinery at 10 % is required.

Prepare Trading and Profit and Loss Account for the year ended 31-03-2015 and Balance Sheet as on that date.

25. The following relate to the paddy crop division of an agriculture farm for the year ended 31-12-2013 :—

Opening Stock :

		Rs.
Paddy	...	21,000
Seeds	...	3,000
Fertilizers	...	4,000
Purchases :		
Seeds	...	7,000
Fertilisers	...	28,000
Wages :		
Paid in cash	...	42,000
Paid in kind	...	18,000

Turn over

		Rs.	
Hire charges for farm : machinery	...	8,000	
Charges for cattle employed in field	...	3,000	
Sales of paddy	...	1,80,000	
Paddy used by the proprietor	...	6,000	
Stock on 31-12-2013 :			
Paddy	...		9,000
Seeds	....		6,000
Fertilizers	...		2,000

Prepare an account to find out he Profit or Loss of paddy crop division.

(2 × 15 = 30)