

Reg. No. :

Name :

Second Semester B.Com. Degree Examination, May 2020

First Degree Programme under CBCSS

Core Course II : CO 1242/CX 1241/CC 1242/HM 1241

FINANCIAL ACCOUNTING

**(Common for Commerce/Commerce and Tax Procedure and Practice/
Commerce with Computer Applications/Commerce and Hotel Management
and Catering)**

(2014 Admission to 2017 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **1** or **2** sentences each. **Each** question carries **1** mark.

- 1 What is going concern concept?
- 2 What do you understand by accounting standards?
- 3 What is posting?
- 4 What is cash discount?
- 5 What is an opening entry?
- 6 Write a short note on prepaid expenses.
- 7 What is meant by drawings?

8. What do you mean by self-balancing system?
9. What is Primage?
10. Ascertain Gross Profit from the following particulars :

	Rs.
Opening and closing stock	18,000 each
Purchases	55,000
Manufacturing expenses	10,000
Sales	90,000

(10 × 1 = 10 Marks)

SECTION – B

Answer **any eight** questions in not exceeding **1** paragraph each. **Each** question carries **2** marks.

11. Distinguish between Journal and Ledger.
12. What do you understand by errors of principle? Give an example.
13. Write a short on Suspense Account.
14. Define fixed assets. Give an example.
15. Name any two methods of providing for depreciation.
16. Write a short note on Total Debtors Account.
17. Write a short note on returnable packages.
18. Give a Compound Journal Entry for the following :

Paid Elsa cash Rs. 9300; discount allowed by her Rs. 700

19. If the total assets of the firm are Rs. 40,00,000, outside liabilities are Rs. 25,25,000, what is the amount of capital contributed by the owner?
20. Prepare Mr. E. Esmail Account as it would appear in the books of A. Anil, compute the balance amount to be paid in cash.

	Rs.
(i) Opening balance (credit)	10,000
(ii) Purchases made from E. Esmail	60,000
(iii) Goods returned to E. Esmail	6,000
(iv) Paid to E. Esmail by cheque	40,000
(v) Balance paid in cash	

21. Find out the amount of Purchase from the following figures :

Opening stock Rs. 25,000; Closing stock Rs. 50,000; Cost of goods sold Rs. 14,50,000.

22. A business firm pays Rs. 8,000 salaries per month to an employee. But during the year 2019 only Rs. 88,000 are paid as salary and one month salary Rs. 8,000 is due but not paid. Pass the adjusting entries.

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions in not exceeding **120** words. **Each** question carries **4** marks.

23. What is a Trial Balance? What are its objects?
24. Distinguish between self-balancing and sectional balancing system.
25. How will you deal with the following items appearing in the Trial Balance when preparing final accounts at the end of the year?
- Wages
 - Life insurance premium
 - Rent outstanding
 - Stock at the end

26. Enumerate any eight Accounting Standards.
27. Distinguish between Trial Balance and Balance Sheet.
28. Write down the adjusting entries required for the following transactions :
 - (a) Goods withdrawn from business for personal use Rs. 10,000
 - (b) Rent paid for the next year Rs. 1,800
 - (c) Insurance prepaid Rs. 400
 - (d) Wages paid for the erection of car shed Rs. 10,000.
29. On 1.1.2019, balance of Provision for Bad Debt was Rs. 1,500. During the year 2019 the bad debts written off amounted to Rs. 440. On 31.12.2019 Sundry Debtors stood at Rs. 15,000 and 5% Provision for Bad Debts is to be kept. Show the journal entries.
30. On 1.1.2018 stock of packages in hand was Rs. 8,000 (valued in the books at cost less 25%), and Rs. 1,200 in the hands of customers at invoice price, which is cost plus 50%.

For the year ended 31st December, 2018, Packages were charged out at Cost Plus 50% and full credit was given in respect of those returned in good condition. Packages sent out during the year were Rs. 16,000 – (invoice price) and Returns (all in good condition) Rs. 10,000. Customers retained packages at an invoice price of Rs. 300 and closing stock of Packages in hand at cost Rs. 6,666.67.

Write up Packages Stock Account and Reserve Account.

31. From the following particulars, you are required to prepare the self-balancing Adjustment Account in Debtors' Ledger :

	Customer A	Customer B	Customer C
	Rs.	Rs.	Rs.
Opening balance	20,000	30,000	40,000
Credits Sales	2,00,000	3,00,000	4,00,000

	Customer A	Customer B	Customer C
	Rs.	Rs.	Rs.
Cash sales	80,000	20,000	30,000
Cash received	1,00,000	1,50,000	2,10,000
Trade discount allowed	1,000	3,000	7,000
Cash discount allowed	3,000	4,000	5,000
Goods returned	4,000	2,500	5,500

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions in not exceeding **4** pages each. **Each** question carries **15** marks.

32. Define accounting concept. Explain the important concepts in accounting.
33. From the following figures extracted from the books of Mr. Haris, you are required to prepare a Trading and Profit and Loss account for the year ended 31st December, 2019 and a Balance Sheet as on that date after making necessary adjustments.

Debit Balances	Rs.	Credit Balances	Rs.
Purchases	1,20,500	Capital	52,000
Stock on 1 st January	21,500	Sales	1,86,000
Salaries	14,000	Sundry Debtors	10,900
Rent and Rates	3,000		
Insurance	800		
General expenses	3,100		

Debit Balances	Rs.	Credit Balances	Rs.
Wages	25,000		
Machinery	31,000		
Sundry Debtors	20,000		
Cash at bank	3,000		
Drawings	7,000		

Adjustments :

- (1) Salaries for the month of December still unpaid Rs. 1,600.
- (2) Insurance prepaid to the extent of Rs. 250.
- (3) Depreciate machinery by 10%.
- (4) Closing stock was valued at Rs. 26,000.

34. Following are the particulars relating to hire purchase :

Purchaser: Ram and Company Seller : Shyam and Company

Date of purchase: January 1, 2016 Goods purchased: Machine

Cash price: Rs. 12,894

Payments – Rs. 2,000 on signing of the agreement and the balance in the three equal annual instalments of Rs. 4,000 due on 31st December each year.

Rate of interest – 5% per annum.

Depreciation - 20% on the written down value each year.

Prepare Machinery Account and Shyam and Company Account in the books of Ram and Company. Also show the machinery in its balance sheet as on 31st December, 2017. Calculations are to be made to the nearest rupee.

35. S.S. Jai Hind commenced voyage on 1st October, 2019 from Mumbai to London and back. The voyage was completed on 30th November, 2019. It carried a consignment of tea on its onward journey and of machinery on its return journey. The ship was insured and the annual premium was Rs. 1,20,000. Prepare Voyage Account from the following particulars :

	Rs.
(i) Freight earned (outward)	5,00,000
(ii) Freight earned (inward)	3,50,000
(iii) Port dues	25,000
(iv) Bunker	1,50,000
(v) Wages and salaries	2,50,000
(vi) Stores	84,000
(vii) Sundry expenses	25,000
(viii) Passage money received	50,000
(ix) Lighterage charges	33,000
(x) Depreciation (annual)	4,80,000
(xi) Address commission 5% on outward and 4% on inward freight	
(xii) Primage is 5% on freight	

The manager is entitled to 5% commission on the profit earned after charging such commission. Stores and coal on hand were valued at Rs. 15,000 on 30th November, 2019.

(2 × 15 = 30 Marks)