



Reg. No. :

Name :

**I Semester B.Com. Degree (CBCSS-Reg./Supple./Improv.) Examination,
November 2017**

Core Course

1B02 COM : FINANCIAL ACCOUNTING (2014 Admn. Onwards)

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. Use _____ for recalculation if some values are changed.
2. All expenses incurred on an asset before it is put to use are _____
3. _____ is a statement prepared and sent by the consignor to the consignee along with the goods despatched.
4. Parties in a joint venture are known as _____ and their liability is _____ to the adventure concerned for which they agree to contribute capital and share profits or losses. (4x $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** carries **1** mark.

5. What is non-profit seeking entity ?
6. Give two basic objectives of having accounting standards.
7. What purpose does a Balance Sheet serve ?
8. State the accounting treatment for loss of goods in consignment ?
9. What is receipts and payments account ?
10. Distinguish between debtors and creditors. (4x1=4)

P.T.O.



PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** carries **3** marks.

11. What is Journalising ? Give advantages and limitations of journal.
12. What are the objectives or functions of preparing a trial balance ?
13. Briefly explain the important features of consignment business.
14. Distinguish between joint venture and partnership.
15. Journalise the following transactions in the books of Varsha Ltd.
 - i) Purchased goods from A2 and Ltd. for Rs. 40,000 less trade discount 15% plus VAT at 25%.
 - ii) Sold goods costing Rs. 9,000 for Rs. 12,000 and charged VAT @ 10%. Payment is received by cheque which is immediately deposited into bank.
 - iii) Sold the balance goods to Vishal Ltd. for Rs. 30,000 plus VAT @ 10%.
16. From the following, calculate the subscription received during 2014. Subscription credited to Income and Expenditure Account Rs. 9,500.

	Rs.
Subscription outstanding on 31-12-2013	450
Subscription outstanding on 31-12-2014	980
Subscription received in advance on 31-12-2013	320
Subscription received in advance on 31-12-2014	350

17. Anjali beauty products, Madurai consigned 500 bottles of quality nail polish to beauty place, Anchal @ Rs. 30. They spent Rs. 200 for packing and Rs. 300 for freight and insurance and drew against the consignment, a bill for the amount of 80% of the cost of goods sent. On getting the acceptance, Anjali beauty products discounted the bill at the cost of Rs. 600.
Beauty place, Anchal sold 400 bottles of nail polish @ Rs. 40 of which 50 bottles were on credit. Their sales expenses amounted to Rs. 150. They are to get a commission of 4% plus 2% delcredere commission.
A customer who bought 10 bottles of nail polish on credit became insolvent and only Rs. 200 is realised from him in full settlement. Prepare consignment account and consignee's account in the books of consignor.

18. **Extracts of Trial Balance as on 31st March, 2015**

	Dr. Rs.	Cr. Rs.
Bad-debts	3,600	
Provision for bad and doubtful debts (1-4-2014)		7,500
Sundry debtors	2,00,000	

Adjustments:

- i) Write off further bad-debts Rs. 2,000.
- ii) Provision for doubtful debts is to be maintained at 5% on sundry debtors.
- iii) Create a provision for discount on sundry debtors at 2%.

Show effect on Profit and Loss Account and Balance Sheet.

(6×3=18)

PART – D

Answer **any two** questions. **Each** carries **8** marks.

19. The following relate to a club for the year 2015.

Income and Expenditure Account for the year ending 31st December 2015

	Dr.		Cr.
To Salaries	200	By Donations	4,000
" Expenses	300	" Subscription	1,000
" Rates etc.	50		
" Depreciation	40		
" Excess of income over expenditure	4,410		
	5,000		5,000

- i) Fixed assets 1st January 2015 were Rs. 900 and at the end of the year after deduction of depreciation were Rs. 2,000.
- ii) Outstanding subscription on 31st December 2014 were Rs. 200, which were received in 2015.
- iii) Outstanding subscription on 31st December 2015 was Rs. 300 on this date prepaid subscription was Rs. 150.
- iv) Outstanding expenses on 1st January 2015 were Rs. 50 and on 31st December 2015 was Rs. 40.
- v) Cash on 1st January 2015 was Rs. 100.

Prepare Receipts and Payments Account for the year 31st December 2015.



20. On 1st January, 2015 David and Dinesh started a real estate business on joint venture basis. On that day David advanced Rs. 20,00,000 and a plot of land measuring 5,000 sq. meters was purchased. It was decided to sell the land in smaller plots and a plan was got prepared at a cost of Rs. 8,000 paid by Dinesh. In said plan 1/5 of the total area of the land was left for public roads and remaining land was divided into four plots of equal size.

On 1st June, 2015 they sold two plots @ Rs. 600 per sq. meter. The sale proceeds of all plots were received by David. As per the agreement David is to get interest on his investment @ 14% per annum after allowing for money received by him. Dinesh is entitled to a commission of 2% on sales proceeds. They share profits and losses in the ratio 3 : 2. Joint venture is closed on 30th June 2015. Prepare ledger accounts in the books of David.

21. The following are extracted from the Trial Balance as on 31st Dec. 2015.

Particulars	Dr.	Cr.
	Rs.	Rs.
Debtors	21,500	—
Discount allowed	800	—
Provision for discount on debtors (1-1-15)	—	900
Bad debts	1,200	—
Bad debts received	—	300

Additional information :

- 1) Bad debts to be written off Rs. 500.
- 2) Provision required for bad debts Rs. 1,000.
- 3) Provision required for discount on debtors 3%.

Prepare provision for discount on Debtors Account and also show how the relevant items would appear in the Profit and Loss Account and also in the Balance Sheet.

(2×8=16)