



K19U 3218

Reg. No. :

Name :

I Semester B.Com Degree (CBCSS- Supplementary/Improvement)

Examination, November - 2019

(2014 - 2018 Admissions)

CORE COURSE in B.Com

1B02 COM : FINANCIAL ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART - A

I. Answer **all** questions. Each carries $\frac{1}{2}$ mark. (4 \times $\frac{1}{2}$ =2)

- 1) The excess of sales proceeds over the cost of goods sold is called
- 2) Any amount received towards Endowment fund is a ----- receipt.
- 3) Document sent by the consignor to the consignee indicating the details regarding goods sent by him is called
- 4) The term GAAP stands for

PART - B

II. Answer any **four** questions. Each carries **one** mark. (4 \times 1=4)

- 5) What is financial accounting?
- 6) What is the meaning of Marshalling of Balance Sheet?
- 7) What do you mean specific fund?
- 8) What is creative accounting?
- 9) What do you mean by receipts and payment account?
- 10) What are contingent assets?

P.T.O.



PART - C

III. Answer any **six** questions (not exceeding one page). Each carries **three** marks. **(6×3=18)**

11) Pass journal entries to rectify the following errors.

- a. Goods worth Rs.200 taken by the proprietor for his private use were entirely omitted.
- b. Legal charges of Rs.1000 paid on purchase of building debited to legal expense account.
- c. A sales return of Rs.500 from Bharathi was entered in the purchase book.
- d. The sales day book was overcast by Rs.200.
- e. Purchase of goods worth Rs.5000 from S.Kumar is credited to R.Kumar a/c.
- f. Rs.2,000 received from X wrongly posted to the credit of Y.

12) Eastern curry powder Ltd. consigned 300 chests of tea at Rs.7,00 per chest on July 2015, to Janata Traders of Mumbai paying a freight of Rs. 6000 and insurance of Rs. 7,000.

Janata Traders sold 250 chests at Rs. 7,70 per chest. They spent Rs.4000 as freight and Rs.3,000 as godown rent. They are entitled to a commission of 9% on sales. Show consignment account in the books of Eastern curry powder.

13) What do you mean by joint venture accounts?

14) Distinguish between capital expenditure and revenue expenditure.

15) What are the limitations of financial accounting?

16) What are the various branches of accounting?

17) Distinguish between consignment and sale.

18) Ascertain the cost of goods sold

	<u>Rs.</u>		<u>Rs.</u>
Opening stock	5000	Purchase return	1000
Closing stock	6000	Sales return	1800
Purchase	50000	Wages	4900
Sales	80000		

**PART - D**

IV. Answer any **two** questions. Each carries **8** marks. **(2×8=16)**

19) From the following trial balance of Raj Kumar prepare trading and profit and loss account for the year ended 31st March, 2017 and balance sheet as on that date:

	Dr. (Rs.)	Cr.(Rs.)
Capital		60000
Drawing	10000	
Furniture	5200	
Bank Overdraft		8400
Taxes and Insurance	4000	
Creditors		27600
Building	40000	
Stock, 1 st April 2016	44000	
Debtors	36000	
Rents		2000
Purchase	220000	
Sales		300000
Sales Return	4000	
General Expenses	8000	
Salaries	18000	
Commission	4400	
Carriage on purchase	3600	
Bad debts	1600	
Discount	3200	4000
Total	402000	402000

The following adjustments are to be made:

- Stock on 31st March, 2017 Rs. 40120, but there has been a loss of stock by fire on 25th March, 2017 to the extent of Rs.10000 not covered by insurance.
- Depreciation on building Rs.2000 and on furniture Rs.500 is to be provided for.
- A provision for doubtful debts at 5% on debtors is required.
- Unexpired insurance amount to Rs.400
- Interest on capital at 5% per annum is to be provided.

P.T.O.



- 20) Mahendra and Christy entered into a joint venture for the purchase and sale of medical disposal goods. They agreed to share profit and losses in the ratio of 2:1 respectively. Following transactions took place.

Date	Transactions
2017 Oct 1	Mahendra and Christy paid into a joint bank account Rs. 36000 and Rs. 18000 respectively.
Oct 5	Paid rent of the shop Rs. 600.
Oct 7	Purchased goods for cash Rs.36000. Paid freight, etc. Rs. 500.
Oct 15	Mahendra paid advertising Rs. 100 from his private account.
Oct 28	Sold goods and money deposited in joint bank a/c Rs. 19600.
Nov 8	Sold goods for cash Rs. 26000.
Nov 15	Purchased goods for cash Rs. 6000. Carriage, insurance and other expenses Rs. 60 paid by Christy from private account.
Nov 17	Sold goods for cash Rs. 14000.
Nov 25	Mahendra took away the balance of goods left unsold at an agreed price Rs. 4000.

You are required to open necessary ledger accounts in a separate set of books. Assume, final settlement was made on Nov.30.

- 21) Briefly explain the accounting process up to the preparation of trial balance.