



K18U 2218

Reg. No. : .....

Name : .....

I Semester B.Com. Degree (CBCSS – Reg./Supple./Improv.)

Examination, November 2018

Core Course in B.Com.

1B02 COM : FINANCIAL ACCOUNTING

(2014 Admn. Onwards)

Time : 3 Hours

Max. Marks : 40

PART – A

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

- 1) A transaction relating to sale of assets being entered in sales day book is \_\_\_\_\_ error.
- 2) Any loss of goods which is not natural and is avoidable is called \_\_\_\_\_
- 3) Any revenue-expenditure relating to special fund must be deducted from \_\_\_\_\_ account.
- 4) Opening stock + purchase – closing stock is \_\_\_\_\_ (4x $\frac{1}{2}$ =2)

PART – B

II. Answer **any four** questions. **Each** carries **one** mark.

- 5) What is consignment ?
- 6) What is the use of manufacturing account ?
- 7) What is Trial Balance ?
- 8) What is environmental accounting ?
- 9) What are accounting standards ?
- 10) Write the meaning of unexpired expenses. (4x1=4)

P.T.O.



## PART – C

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

11) Pass journal entries to rectify the following errors.

- a) Purchase of machinery for Rs. 5,000 has been entered in the purchase book.
- b) Rs. 500 received from Raman has been credited in the account of Ramkumar.
- c) Payment for repairs of building was debited to building account Rs. 1,500.
- d) The purchase book was undercast by Rs. 600.
- e) Rs. 1,000 drawn by the proprietor for his personal use has been shown as trade expenses.
- f) Salary of Rs. 1,000 paid to Manager was debited to his personal account.

12) V Guard Industries Ltd. sent 100 stabilisers to Jose Electricals, Cochin to be sold on behalf of them. The cost of each stabilizer was Rs. 2,500. The consignors paid Rs. 1,800 for packing and Rs. 1,200 for insurance in transit. Jose electrical paid Rs. 7,000 as freight and Rs. 1,000 as godown rent. They sent an account sales showing that 75 stabilisers had been sold at Rs. 3,800 each. The consignee was entitled to a commission of 10% on sales. Prepare consignment account.

- 13) What are the various branches of accounting ?
- 14) Distinguish between partnership and joint venture.
- 15) What are the functions of financial accounting ?
- 16) What do you mean by adjusted purchase ?
- 17) Distinguish between consignment and sale.
- 18) Pass necessary adjustment entries to the following :
  - a) Closing stock Rs. 15,000
  - b) Interest accrued Rs. 500
  - c) Provide Rs. 400 as reserve for bad and doubtful debts.

(6×3=18)

## PART – D

IV. Answer **any two** questions. Each carries **eight** marks.

- 19) From the following Trial Balance of Shri. Chandrasekhar, prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2017 and Balance Sheet as on that date after taking into account the adjustments given at the bottom of the Trial Balance :

**Trial Balance as on 31<sup>st</sup> March, 2017**

	Debit	Credit
Chandrasekhar's Drawings	4,500	
Purchases	20,000	
Returns Inwards	1,500	
Stock (1/4/2016)	8,000	
Salary	4,200	
Wages	1,200	
Rent	350	
Bad Debts	400	
Discount	700	
Sundry Debtors	14,000	
Cash in hand	260	
Cash at Bank	5,940	
Insurance	400	
Trade Expenses	300	
Printing	150	
Furniture	2,000	
Machinery	5,000	
Chandrasekhar's capital		24,000
Sales		30,500
Discount		1,900
Sundry creditors		10,000
Bills Payable		2,500
	<b>68,900</b>	<b>68,900</b>



The following adjustments are to be made :

- a) Closing stock was valued at Rs. 7,000.
- b) Insurance was prepaid to the extent of Rs. 60.
- c) Outstanding liabilities were : Salary Rs. 200 and wages Rs. 200.
- d) Make provision for doubtful at 5% on sundry debtors.
- e) Calculate interest on capital 5% p.a.
- f) Depreciate Machinery at 5% and furniture at 10%.
- g) Reserve for discount on creditors at 1%.

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**

2012	Mahendra and Christy paid into a joint bank account Rs. 36,000
Oct. 1	and Rs. 18,000 respectively.
Oct. 5	Paid rent of the shop Rs. 600.
Oct. 7	Purchased goods for cash Rs. 36,000. 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. 19,600.
Nov. 8	Sold goods for cash Rs. 26,000.
Nov. 15	Purchased goods for cash Rs. 6,000. Carriage, insurance and other expenses Rs. 60 paid by Christy from private account.
Nov. 17	Sold goods for cash Rs. 14,000.
Nov. 25	Mahendra took away the balance of goods left unsold at an agreed price Rs. 4,000.

You are required to open necessary ledger accounts in a separate set of books.

Assume, final settlement was made on Nov. 30.

- 21) What do you mean by Income and Expenditure Account ? Make a distinction between Receipts and Payment Account and Income and Expenditure Account. (2×8=16)