



K18U 0627

Reg. No. :

Name :

II Semester B.Com. Degree (C.C.S.S. – Supple.) Examination, May 2018

Core Course

2B02 COM : FINANCIAL ACCOUNTING

(2012 – 13 Admns.)

Time : 3 Hours

Max. Weightage : 30

PART – A

Two bunches of questions carrying equal weightage of **one**. Answer **all**.

- I. 1) Balance Sheet is a
a) Statement b) Account c) Ledger d) Journal
- 2) A selected set of accounting policies or guidelines regarding the principles and methods of accounting.
a) GAAP b) Accounting concepts
c) Accounting principles d) Accounting standards
- 3) Goods sent at loaded price
a) To get the true profit
b) To charge the actual cost
c) To charge selling price
d) To hide the true profit from consignee
- 4) It is a process of transferring the branch trial balance items to the H.O. books.
a) Incorporation of trial balance b) Closing of trial balance
c) Incorporation of financial statement d) Incorporation of Balance Sheet

(W = 1)

II. Match the following.

- | | |
|------------------------|---------------------------------------|
| 5) Repossession | a) Real Account |
| 6) Joint Venture A/c | b) Violation of accounting principles |
| 7) Errors of Principal | c) Short period |
| 8) Current Asset | d) Hire Purchase |
| | e) Nominal Account |
| | f) Instalment system |

(W = 1)

P.T.O.



PART – B

Answer **any eight**. **Each** carries a weightage of **one**.

- 9) What is outstanding expenses ?
- 10) What is account sales ?
- 11) What is cash in transit ?
- 12) What is joint venture ?
- 13) What is the object of preparing Trial balance ?
- 14) What is revenue recognition ?
- 15) What do you mean by compensating errors ?
- 16) What is Account Current ?
- 17) Give two points of distinction between Hire purchase system and instalment system.
- 18) How will you treat goods sent on free samples ? **(W = 8×1=8)**

PART – C

Answer **any six**. **Each** carries a weightage of **two**.

- 19) Explain the users of accounting information.
- 20) State the main points of difference between consignment and sale.
- 21) Explain the treatment of following items in final accounts.
 - a) Loss of stock by fire
 - b) Goods taken by the proprietor for personal use.
- 22) Pass necessary journal entries to rectify the following errors.
 - 1) Credit purchase of goods amounting to Rs. 900 from A and sons has not been recorded in the day book.



- 2) A credit sale of goods to S & Sons for Rs. 1,500 has been recorded twice.
 - 3) Rent paid to landlord is debited to landlords account Rs. 600.
 - 4) Private expenses of Rs. 400 is debited to trade expenses account.
- 23) On 1 January 2001 'S' Purchased a machine from 'K' on hire purchase basis. The particulars are as follows.
- 1) Cash price Rs. 10,000.
 - 2) Rs. 4,000 to be paid on signing the contract.
 - 3) Balance in 3 instalments of Rs. 2,000 plus interest.
 - 4) Interest charges on outstanding balance @ 5%.
 - 5) Depreciation at 10% p.a. on W.D.V.
- Prepare 'K' account in the books of 'S'.

- 24) On 1st January 2005 X & Y entered into joint venture to deal in cycles. X purchased cycles for Rs. 30,000 and Y purchased for Rs. 35,000. Repairing and other charges paid by X was Rs. 6,000 and that of Y was Rs. 4,000. X sold cycles for Rs. 40,000 and Y sold for Rs. 45,000. On closing the books on 30th June, the unsold cycles of purchase price of Rs. 7,500 were taken over by X at cost plus 10%.

Prepare Memorandum Joint Venture A/c.

- 25) A portion of the Trial Balance on 31-12-2005 is as follows.

Debtors Rs. 20,000

Bad debts Rs. 800

It is estimated that 5% of debtors is doubtful of recovery and is to be provided for.

Give journal entry for the amount of provision and also show how they would appear in the Profit and Loss Account and Balance Sheet.

- 26) Net profit before charging commission – Rs. 12,661. The Manager Mr. P is entitled to commission @ 10% on the net profit calculated after charging such commission. Calculate manager's commission and how it would appear in the Final A/c s.

(W = 6×2=12)



PART – D

Answer **any two**. Each carries a weightage of **four**.

27) Following in the Trial Balance of JR Trader as on 31st Dec. 2011.

	Dr.	Cr.
Opening stock	20,000	
Purchases	85,000	
Sales		1,40,000
Goodwill	7,500	
Cash in hand	2,000	
Investments	5,000	
Machinery	15,000	
Bad debts	3,000	
Provision for Bad debt		3,500
Printing & stationery	3,000	
Salaries	15,000	
Freight	5,000	
Rent	9,500	
Debtors & Creditors	45,000	25,000
General Expenses	3,500	
Capital		50,000
	2,18,500	2,18,500

Prepare Trading and Profit and Loss A/c for the year ending 31-12-2011 and Balance Sheet as on that date after the following adjustments.

- 1) Depreciate machinery by 10%.
- 2) Reduce provision for bad debts to Rs. 1,000.
- 3) Goods lost by fire Rs. 1,000 on 30th December 2011.
- 4) Manager is entitled to a commission of 10% of net profits after preparing Final A/c's.
- 5) Closing stock Rs. 23,500.
- 6) Goods of the cost Rs. 1,000 were sent on free samples during the year.



28. The JR Chemicals opened branch at Trivandrum on 1st January 2009 from the following particulars prepare Trivandrum Branch Account, goods sent to Branch A/c and Branch Stock A/cs for the year 2009 and 2010 in the books of HO.

	2009	2010
Goods sent to Tvm. Br.	55,000	77,000
Remittance to Br. for sent and taxes	6,600	7,700
Salaries	4,400	5,500
Office expenses (including petty cash)	3,300	2,200
Returns by Br.	1,100	2,200
Remittance by Br.	88,000	99,000
Stock at Branch on 31 st Dec.	8,800	11,000
Petty Cash at Br.	30	60

29. AD of Agra consigned goods of the cost of Rs. 30,000 to his agent JR at Trivandrum at a profit of 33.33% on cost. The expenses of AD were freight Rs. 3,000 and insurance at 2% of cost price.

JR accepted a 2 months bill for 50% of the invoice price drawn against the consignment which AD discounted for Rs. 18,500. JR sold 3/4 of the goods for Rs. 42,000 for which a commission of 4% plus 2% del credere commission is payable. The expense at Trivandrum amounted to Rs. 1,100. A customer who bought goods for Rs. 2,000 become insolvent and nothing could be recovered from him. On closing the books the unsold goods are valued at 20% less than cost due to fall in market price.

Prepare Consignment Account in the books of AD.

(W= 2x4=8)
