



23104664

QP CODE: 23104664

Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) REGULAR/IMPROVEMENT/REAPPEARANCE  
EXAMINATIONS, FEBRUARY 2023**

**First Semester**

**Core Course - CO1CRT02 - FINANCIAL ACCOUNTING I**

Common for all B.Com Degree Programmes

2017 Admission Onwards

A1E39484

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What do you mean by current assets? Give an example.
2. What do you mean by accounting standards?
3. What do you mean by Capital Loss?
4. Prepare a balance sheet from the following
 

Particulars	Amount	Particulars	Amount
Accounts receivable	4,80,000	Accounts Payable	8,86,000
Building	13,50,000	Drawings	1,25,000
Cash in Hand	1,55,000	Cash at bank	5,05,000
Capital	30,25,000	Net Profit	75,000
Machinery	12,50,000	Closing Stock	1,21,000
5. What is Single entry system?
6. What is total debtors account and mention major items in total debtors account?
7. Calculate credit purchases; cost of goods sold - Rs. 7,00,000, opening stock- Rs. 1,50,000, Closing stock - Rs. 1,20,000
8. Explain the term mining royalty.





9. What is Loading ?
10. A consigned goods costing Rs. 50,000 to B whose recurring and non recurring expenses on the same amounted to Rs. 5,000 and Rs. 2,000 respectively. B sold 3/4th of the goods for Rs.35,000. Ascertain the value of unsold stock.
11. A consigned 200 tonnes of coal to B at Rs.300 per tonne. Freight and insurance paid by consignor amounted to Rs. 4,000. Loss due to loading and unloading of coal is estimated at 5 tonnes. 76 tonnes coal is sold at Rs. 800. Ascertain the value of unsold stock.
12. What do you mean by crop account?

(10×2=20)

### Part B

Answer any **six** questions.

Each question carries **5** marks.

13. The following is extracted from the Trial Balance as on 31st Dec. 2017

Particulars	Debit (Rs.)	Credit(Rs)
Debtors	48000	
Discount Allowed	700	
Provision for discount on debtors (1/1/2016)	900	
Bad Debts	1200	
Bad Debts recovered		400

Additional information:

- 1) Bad Debts to be written off Rs 600.
- 2) Provision required for bad debts Rs.1000.
- 3) Provision required for discount on debtors 3%.

Show how it will appear in final accounts and prepare journal entries.

14. Distinguish between Capital Expenditure and Revenue Expenditure.
15. Boban keeps his books by single entry system. His position on January 1, 2010 was as follows: Cash at Bank Rs5,000; Cash in hand Rs1,000, Stock Rs7,000, Sundry Debtors Rs8,400, Machinery and Plant Rs6,500, Bills Receivable Rs 2,600, Creditors Rs2,500, Bills Payable Rs4,000. On December 31, 2010, his position was as follows: Cash at Bank Rs4,300, Cash in hand Rs1,700 Stock Rs9,000, Sundry Debtors Rs6,000, Machinery and





Plant Rs6,500 Bills Payable Rs3,200, Bill Receivable Rs3,200, Creditors Rs1,600. During the year he introduced further capital of Rs.2,000 and his drawings were Rs.800 per month. Depreciate Machinery and Plant by 5% and create a Reserve for Bad and Doubtful Debts at 5%. From the above information, prepare a statement showing the profit or loss made by him for the year ended December 31, 2010.

16. From the following data, calculate the amount of Bills Receivable as on 31.12.2010. Bills Receivable as on 1.1.2010-Rs.10,000 Cash received on account of Bills receivables – Rs. 5,000, Bills Receivable received during the year- Rs. 30,000, Bills Receivable dishonoured- Rs.- 5,000, Bills Receivable discounted from bankers- Rs. 10,000, Bills Receivable endorsed in favor of creditors – Rs. 5,000

17. Explain recoupment of short working. Describe the different types of recoupment.

18. From the following particulars prepare a table showing Royalties, Short workings, Short working recouped and amount paid to landlord :

Period of Agreement : 5 years commencing from 1-4-2014

Rate of Royalty : Rs . 4 per tonne of coal raised

Minimum Rent : Rs . 25,000 per Annum

Right of recoupment of Short workings : First four Years

Annual Details :

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Sales (Tonnes)	3,300	5,400	6,750	8,700	900
Closing Stock (tonnes )	450	600	750	10,500	1,200

19. On 1/1/2017 A consigned goods costing Rs. 80,000 to B. A paid Insurance Rs.1,600; freight Rs.800 and carriage Rs.800. B was entitled to a commission of 5% on sales. On 31/3/2017 B sent an Account Sale showing that part of the goods were sold for Rs. 1,20,000. His expenses there on being Rs. 9,600. The stock with the consignee was valued at Rs. 12,800.

Show the Consignment and Consignees account in the books of A.

20. On 1<sup>st</sup> January 2017, Madhurai and Sons consigned to Venu goods costing Rs20,000. They paid freight and insurance amounting to Rs 1,500 and drew on Venu a bill for Rs 10,000 payable after 3 months. The bill was discounted with the bank for Rs 9,950. On 1<sup>st</sup> July 2017, an account sale was received from Venu showing that  $\frac{3}{4}$  of the consignment was sold





for Rs 30,000. The expenses of the consignee amounted to Rs 750 and he was to be paid commission at 7%.

A customer who had purchased goods on credit for Rs 1,500 could not pay the amount. You are required to prepare the important ledger accounts in the books the consignor and consignee.

21. From the following information prepare "Crop Account" to find out the profit made by the crop division of the farm.

Particulars	Rs.	Rs.
Opening stock		
Wheat	2,600	
Seed	600	
Fertilizers	400	
		3600
Purchases:		
Seed	400	
Fertilizers	600	
		1000
Wages paid in cash		3,500
Wages paid in kind by giving wheat		2,500
Sale of Wheat		25,400
Wheat consumed by the proprietor		600
Wheat consumed by the live stock division		2,400
Depreciation on farm machinery		1,000
Closing stock:		
Wheat	2000	
Seed	400	
Fertilizers	600	
		3000

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. From the following Trial Balance of Siva prepare trading and profit and loss account and Balance Sheet for the year ended 30.3.2018





Trial Balance as at 31.03.2018

Particulars	Debit	Credit
Capital		35,000
Drawings	5000	
Purchases	26,000	
Purchase Return		2000
Opening Stock	8000	
Salary	4000	
Wages	1500	
Rent	500	
Bad debts	500	
Discount allowed	600	
Sundry debtors	18,000	
Cash in Hand	500	
Cash at Bank	6000	
Insurance	600	
Trade expenses	450	
Printing	200	
Furniture	6500	
Building	6000	
Sales		34,350
Discounts		2000
Sundry creditors		10,000
Bills Payable		1000
<b>Total</b>	<b>84,350</b>	<b>84,350</b>

Additional Informations:

1. Closing stock was valued at 6000
2. Insurance was prepaid to the extent of 100
3. Outstanding expenses are Salary Rs.300 and wages Rs.350
4. Make a provision for doubtful debts at 5% on sundry debtors.
5. Calculate interest on capital at 5% p.a
6. Depreciate building at 5% and furniture at 10%
7. Discount on creditors at 1%





23. Mr. Bobby does not keep his books under double entry system. The following are his assets and liabilities as on opening and closing dates of 2016.

Assets and liabilities	1/1/2016	31/12/2016
Debtors	10,500	15,000
Creditors	9,100	10,200
Bills payable	4,300	4,800
Bills receivables	6,400	7,600
Stock	17,300	21,300
Furniture	8,000	?

Bobby's cash book as follows

Receipts	Amount ( in Rs.)	Payments	Amount ( in Rs.)
Balance 1/1/2016	4,300	Salaries	5,000
Sales	66,000	Wages	4,500
Debtors	48,000	Purchases	43,500
Bills receivables	16,700	Creditors	28,000
		Drawings	2,500
		Office expenses	12,800
		Bills payables	6,600
		Investment in shares	22,000
		Balance on 31/12/2016	10,100
	<u>1,35,000</u>		<u>1,35,000</u>

Discount allowed to debtors is Rs.2,200, discount allowed by creditors is Rs.2,300, bad debts written off is Rs.300, Provision for doubtful debts is at 5%, Depreciation at 10 % on furniture, interest accrued on investment amounted to 2,200. Prepare profit and loss account and balance sheet for 2016.

24. 1. B.M.Co., obtained a mine on lease for a period of 30 years beginning from 1st January ,2008, on the following terms:
1. To pay minimum rent of Rs 24,000 per year.
  2. Each year's excess of minimum rent over the actual royalties can be recovered during the subsequent two year





3. Due to accident or strike minimum rent is to be reduced by 25% for that year.
4. Royalty was to be calculated at Rs 50 per tonne.

Production during four years from 2008 to 2011 was as follows :

Year	production in tones
2008	280
2009	360
2010	600
2011(strike for 3 months )	440

Open the following accounts in the books of the company :

1. Minimum rent account
2. Royalties account
3. Landlords account
4. Short workings account

25. M Ltd. Chennai, forwarded on 1<sup>st</sup> June 2018- 50 mopeds to Mr Savy & Co., of Mumbai to be sold on its behalf. The cost of one moped was Rs.1,600, but the invpice price was Rs. 2,000. M Ltd insured Rs. 10,0000 on freight and insurance. The consignment was received by Mr Savy & Co. on 10<sup>th</sup> June 2018. He also sent abank draft for Rs.75,000 as advance against consignment.Mr Savy & Co. also incurred Rs.600 on godown rent and Rs.1,400 an advertisements. On 10<sup>th</sup> August 2018 Mr Savy & Co. sent account sales stating that he had sold 45 mopeds at a proce of Rs.2,150 each.He is also entitled to a commission of 5% on gross sales.

Pass journal entries to record the above transactions in the books of M Ltd. and Mr Savy & Co., assuming that the balance due by Mr Savy & Co. is sent by bank draft on 31<sup>st</sup> August.

(2×15=30)

