



First Semester B.Com. Degree Examination, Nov./Dec. 2016
COMMERCE
Financial Accounting – I
(Old Syllabus)

Time : 3 Hours

Max. Marks : 80

Instructions : 1) Attempt all Sections according to internal choice.
2) Give working notes wherever necessary.

SECTION – A

Answer any ten of the following :

(10×2=20)

1. a) What do you mean by Accounting ?
- b) Give the meaning of Journal.
- c) What is Trial Balance ?
- d) Explain the term Accounting Convention.
- e) Why total Debtors Account is prepared in Single Entry System ?
- f) What is Statement of Affairs ?
- g) What are final accounts ?
- h) What is Balance Sheet ? When it is prepared ?
- i) What is consignment ?
- j) Who is a consignor ?
- k) What is Joint Venture ?
- l) Who is a Co-venturer ?

SECTION – B

Answer any three of the following :

(3×5=15)

2. Briefly explain the following accounting concepts :
 - a) Cost concept
 - b) Dual-aspect concept.

P.T.O.



3. Write any five points of differences between Joint Venture and Consignment.

4. From the following transactions, prepare the Personal Account of Mr. Sachin :

1-1-2016 Sold goods to Sachin Rs. 10,000

5-1-2016 Sachin returned goods to us Rs. 1,000

10-1-2016 Received from Sachin Rs. 8,800 and allowed him discount Rs. 200

15-1-2016 Bought goods from Sachin Rs. 5,000

20-1-2016 Purchased a Motor Car from Sachin Rs. 5,000

25-1-2016 Returned goods to Sachin Rs. 300

31-1-2016 Paid to Sachin Rs. 9,500 in full settlement of his account.

5. From the following particulars, prepare Manufacturing Account of the concern for the year ended 31-12-2015 :

Opening Stock of raw materials Rs. 10,000

Raw materials purchased during the year Rs. 90,000

Closing stock of raw materials at the end of the year Rs. 15,000

Freight and Octroi on purchases of raw materials Rs. 5,000

Manufacturing wages paid Rs. 40,000

Factor power Rs. 4,000

Factory rent Rs. 8,000

Stores consumed Rs. 3,000

Depreciation on factory building Rs. 7,000

Work-in-progress at the beginning of the year Rs. 8,000

Work-in-progress at the end of the year Rs. 12,000.



6. Find out the credit sales from the following information provided by Mr. Santosh who keeps his books under Single Entry System :

Debtors as on 1-1-2015 Rs. 20,000

Debtors as on 31-12-2015 Rs. 24,000

Cash received from debtors Rs. 60,000

Bills receivable received from debtors Rs. 50,000

Sales returns Rs. 4,000

Bad debts Rs. 1,200

Discount allowed to debtors Rs. 1,800

Bills receivable dishonoured Rs. 1,000.

SECTION – C

Answer **any three** of the following :

(3×15=45)

7. Ramesh of Pune sent 10 cars to Nagaraj of Hospet on consignment. The cost of each car was Rs. 48,000.

The expenses of Ramesh were :

Freight Rs. 28,000 and insurance Rs. 12,000

During transit one car was destroyed and the insurance company paid Rs. 36,000 towards the claim.

Nagaraj sold 7 cars at Rs. 60,000 each and he paid for godown rent and insurance Rs. 13,200. He sent Rs. 3,60,000 by draft. It was agreed that Nagaraj is to get 5% commission on sales.

Prepare the necessary Ledger Accounts in the books of Mr. Ramesh (Consignor).



8. Journalise the following transactions and post them to Ledger and Balance Sheet the same :

- 1-1-2015 Manoj Patil started his business with cash Rs. 40,000
- 2-1-2015 Deposited cash into Canara Bank Rs. 12,000
- 5-1-2015 Purchased goods from Prasad Rs. 5,000
- 10-1-2015 Sold goods to Murthy Rs. 7,500
- 15-1-2015 Paid to Prasad on account Rs. 5,000
- 18-1-2015 Goods returned by Murthy Rs. 300
- 20-1-2015 Withdrew from Canara Bank for office use Rs. 6,000
- 23-1-2015 Received from Murthy Rs. 7,000 and allowed him discount Rs. 200
- 25-1-2015 Salary paid to manager by cheque Rs. 3,000
- 31-1-2015 Took goods from business for domestic use Rs. 500.

9. From the following Trial Balance of Mr. Ashok, prepare the Trading and Profit and Loss Account for the year ending 31-12-2015 and the Balance Sheet as on that date :

Trial Balance as on 31-12-2015

Sl. No.	Name of Accounts	L.F.	Dr. Rs.	Cr. Rs.
1	Ashok's capital		-	1,00,000
2	Ashok's drawings		5,000	-
3	Machinery		20,000	-



4	Bills Receivable	2,500	-
5	Debtors and Creditors	30,000	35,000
6	Wages	22,500	-
7	Purchases and Sales	1,00,000	1,50,000
8	Commission	-	2,500
9	Rent	10,000	-
10	Stock on 1-1-2015	40,000	-
11	Salaries	7,500	-
12	Repairs	1,000	-
13	Bad debts	1,500	-
14	Returns	2,500	2,000
15	Furniture	15,000	-
16	Cash in hand	12,000	-
17	Cash at bank	20,000	-
		2,89,500	2,89,500

Adjustments :

- a) Stock on 31-12-2015 was Rs. 45,000.
- b) Outstanding salary Rs. 2,500.
- c) Prepaid rent Rs. 1,000
- d) Outstanding commission Rs. 500
- e) Make provision for doubtful debts at 5% on debtors.
- f) Depreciate furniture by 10% and machinery by 5%.



10. Shri Srinivas Naik who kept his books under Single Entry System asks you to prepare his Trading and Profit and Loss Account for the year ending 31-12-2015 and the Balance Sheet as on that date from the following details :

Statement of Affairs as on 31-12-2014

Liabilities	Rs.	Assets	Rs.
Capital	70,000	Machinery	12,000
Sundry creditors	10,000	Furniture	4,000
		Stock	40,000
		Sundry debtors	22,000
		Cash in hand	2,000
	80,000		80,000

- a) Cash receipts during the year :
- Cash sales Rs. 14,000
 - Collection from Debtors Rs. 84,000
- b) Cash payments during the year :
- Payment to creditors Rs. 58,000
 - Salaries Rs. 7,000
 - Wages Rs. 5,000
 - Sundry expenses Rs. 2,000
 - Investments Rs. 8,000
 - Drawings Rs. 16,000
- c) Other particulars :
- Credit sales during the year Rs. 88,000
 - Credit purchases during the year Rs. 57,000
 - Discount allowed Rs. 1,400
 - Discount earned Rs. 1,000
 - Bad debts written off Rs. 600
 - Stock of goods as on 31-12-2015 Rs. 30,000
 - Depreciate machinery and furniture at 10%.



11. Ajay and Vijay of Gadag agreed to buy and sell Jowar on Joint Venture. Ajay contributed Rs. 1,50,000 and Vijay contributed Rs. 1,00,000 and opened a Joint Bank Account with the contributions.

They purchased 90 bags Jowar at Rs. 2,000 per bag, paid for freight Rs. 10,000, Octroi and other charges Rs. 10,000.

They sold 85 bags of Jowar at Rs. 2,800 each and Ajay took the remaining bags of Jowar for Rs. 13,000.

Prepare the necessary Ledger Accounts assuming that all receipts and payments are made through Joint Bank Account.

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