

B.Com. I Semester (CBCS) Degree Examination, Nov/Dec - 2018

COMMERCE

Financial Accounting - I

Paper - 1.3

(New)

Time : 3 Hours

Maximum Marks : 70

Section - A

Answer any **five** of the following questions.

(5×2=10)

1. What do you mean by ledger?
2. What is dual - aspect concept?
3. What do you mean by convention of consistency?
4. What is Accounting Standards?
5. Define single entry system.
6. How do you treat bad debts when Del credere commission is given and when it is not given?
7. What do you understand by Independent Branch?

Section - B

Answer any **three** of the following questions

(3×5=15)

8. Distinguish between Journal and ledger.
9. What is an "Account sales"? How does it differ from an Invoice?
10. From the following particulars prepare the manufacturing account of a concern for the year ending 31-12-2017.

[P.T.O



Particulars	Rs.
Opening stock of raw materials	10,000
Raw materials purchased during the year	1,90,000
Closing stock of raw materials	6000
Wages paid	14000
Factory rent	8000
Factory lighting	2000
Factory power	6000
Depreciation on factory building	8000
Depreciation on plant & machinery	10000
Work in progress at the beginning of the year	20000
Work in progress at the end of the year	24000

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11. Raghu keeps his accounts on single entry from the following information, you are required to ascertain total purchases during 2017.

	Rs.
Bills payable 1-1-2017	30,000
Creditors 1-1-2017	60,000
Cash and cheque paid to creditors (including to 'A' for machine bill Rs. 20,000)	3,02,000
Bills payable discharged during the year	81,000
Returns inwards	10,000
Returns outwards	12,000
Freight charged by suppliers	20,000



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Discount allowed by creditors	10,000
Bills payable dishonoured	2000
Cash purchases	2,30,000
Creditors 31-12-2017	40,000
Bills payable 31-12-2017	50,000

Note : Opening creditors include Rs. 20,000 to 'A'.

12. Mr. Ganganna forwarded 1500 kgs of oil at invoice price of Rs. 3,00,000 to Mr. Ramakrishna sold 1200 kgs at Rs. 250 each. Ramakrishna is entitled to 10% commission on sales and 20% on a price realised over and above the invoice price. Ascertain the total commission payable to Ramakrishna.

Section - C

Answer any three of the following questions.

(3×15=45)

13. Journalise the following transactions and post them to ledger and balance the same. Devaraju started business with the following on 1-1-2017.

	Rs.
Cash	40,000
Furniture	24,000
Amount due from Geetha	8000
Amount due to Shobhan babu	12000
Goods	20000

His transactions during the month were as follows :

	Rs.
2-1-2017 Purchased goods from Nagaraj	28000
3-1-2017 Sold goods to Thippeswamy	40000
5-1-2017 Introduced fresh capital	80000

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10-1-2017	Paid nagaraj on account	16000
15-1-2017	Received from Thippeswamy on A/c	24000
18-1-2017	Withdrew cash for Personal use	4000
31-1-2017	Sold goods to umesh subject to 5% trade discount	24000

14. From the following trial balance of Shri. Neelakanta prepare the final accounts for the year ended 31-3-2017 after considering the adjustments given below.

Particulars	Dr.	Cr.
Capital	-	3,62,000
Drawings	72,000	-
Plant & machinery :		
Balance on 1-4-2016	2,40,000	
Additions on 1-10-2016	50,000	
	2,90,000	
Stock on 1-4-2016	1,90,000	
Purchases	15,64,000	
Returns Inwards	24,000	
Sundry debtors	41,200	
Furniture and fixtures	30,000	
Freight & Duty	4000	
Carriage outwards	1000	
Rent, Rates & taxes	48,000	
Printing & stationery	8800	
Trade expenses	10,000	
Sundry creditors		76,000
Sales		19,60,000



(5)

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Returns outwards		6000
Postage & telegrams	2400	-
Discount	-	3600
Provision for doubtful debts		800
Rent of premises sub- let for the year up to 30-9-2017		14400
Salaries outstanding		4000
Insurance charges	5000	-
Salaries & wages	63000	-
Cash in hand	12400	-
Cash at bank	61000	-
	24,26,800	24,26,800

Adjustments :

- Stock on 31-3-2017 was valued at Rs. 1,89,000.
- Write off Rs. 1200 as bad debts.
- The provision for doubtful debts is to be maintained at 5% on sundry debtors.
- Create provision for discount on debtors at 2% and also on creditors at 2%.
- Provide for depreciation on furniture and fixtures at 5% per annum and on plant & machinery at 20% P.A.
- Insurance unexpired was Rs. 200.
- Stock of Rs. 10,000 was destroyed by fire. It was fully insured and the insurance company admitted the claim in full.

15. M/S Veena & Son's keep their book's under single entry system. They have furnished the following particulars regarding the assets and liabilities :

Particulars	1-1-2017	31-12-2017
Buildings	5000	6000
Debtor's	17500	17000



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Stock at cost	14000	12500
Creditors	10500	9500
Out standing expenses	1100	1300
Bills payable	4300	5700
Cash	2500	?

The following further information is made available relating to the above period.

	Rs.
B/P issued	10,400
Cash sales	7,500
Payments to creditors	15500
Salaries	4500
Private payments	3,500

The firms policy is to sell goods at cost plus 25%. Bad debts during the year were Rs. 400. Buildings are to be depreciated at 10% of the opening balance.

Prepare the trading and profit and loss account for the year ending 31-12-2017 and the balance sheet as on that date.

16. Uthpala of Bellary consigned 200 units of a commodity to sharvani of sandur. The goods were invoiced at Rs. 150 so as to yield a profit of 50% on cost. Uthpala incurred Rs. 2000 on freight and insurance. Sharvani incurred Rs. 1000 on freight and Rs. 1600 on rent. Before 31st Dec. 2017 he sold 100 units for cash at Rs. 160 per unit, 40 units for Rs. 175 on credit. He retained his commission 5% and 1% of the del credere arrangement and remitted the balance on 31st Dec 2017 sharvani noticed that 20 units were damaged on account of bad packing and he could sell it only for Rs. 80 per unit. A debtor for Rs. 2000 to whom the goods were sold by sharvani became insolvent and only 50 paise in a rupee was recovered. sharvani sent an account sale on 31st March 2018 detailing the transactions for the quarter ended on that date and he remitted the balance due.

Make necessary ledger accounts in the book's of Uthpala and Sharvani.

17. Shiva has a branch at Delhi, goods are invoiced from Head office at cost plus $33\frac{1}{3}\%$. Find out profit at the branch according to debtor system opening balance :

Debtors		Rs. 10,000
Petty cash		Rs. 1000
Furniture		Rs. 2000
Stock (invoice price)		Rs. 8000
Cash sent by head office for petty expenses		Rs. 2000.
Branch expenses and losses :		
Freight and advertisement		Rs. 5600
Bad Debts		Rs.50
Depreciation on furnitures		Rs. 80
Petty expenses		Rs. 1500
Sales :		
Cash	Rs. 50,000	
Credit	Rs. 36000	
Goods returned by Debtors		Rs. 800
Goods returned by branch to head office		Rs. 2000
Cash received from debtors		Rs. 20,000
Stock at the end at (invoice price)		Rs. 7800
Goods invoice by head office during the year		Rs. 88000