

Reg. No

Name

BCom DEGREE END SEMESTER EXAMINATION - OCTOBER 2019**SEMESTER 1 : B Com****COURSE : 19U1RCOM2 : FINANCIAL ACCOUNTING***(For Regular - 2019 Admission)*

Time : Three Hours

Max. Marks: 75

Section A**Answer any 10 (2 marks each)**

1. Explain prudence or conservatism principle.
2. Calculate closing stock:
Opening stock- Rs.6,000 sales – Rs.30,000
Purchases – Rs.18,000 rate of gross profit on sales 30%
3. What is revenue receipts?
4. What is legacy?
5. What do you mean by Royalty? How does it differ from Rent?
6. How will you record cash subsidy in the book of lessee?
7. What are the features of Dependent Branches?
8. Mention the different ways of keeping the accounts of dependent branches by Head Office.
9. Distinguish debtors system from stock and debtors system.
10. What do you mean by consignment?
11. What do you mean by account sales?
12. Give the entry for adjusting loading on stock in the consignment account

(2 x 10 = 20)

Section B**Answer any 5 (5 marks each)**

13. What is accounting standards? What are its objectives?
14. Pass necessary adjusting entries.
 - a. Rs.12000 for insurance and Rs.20,000 for income tax were paid in advance
 - b. The stock on 31st march 2013,, of raw materials was of the value of Rs.4,00,000 and that of finished goods of Rs.3,50,000
 - c. Write off depreciation on machinery Rs.80000 and on building Rs.30,000
 - d. Rs.11,000 were bad debts during the year.
15. From the following particulars , calculate the amount of subscription to be credited to the income and expenditure account for the year ending 31st December 2013.

Subscription received during 2013	Rs,8400
Outstanding subscription as on 1-1-2013	1670
Subscription received in advance 1-1-2013	790
Outstanding subscription as on 31-12-2013	630
Subscription received in advance 31-12-2013	590

16. From the following particulars of Nehru sports club , prepare income and expenditure for the year ended 31st march 2013.

Subscription collected(including Rs.1500 for 2012 And Rs.3500 for 2014)	25000
Subscription due but not received in 2013	4000
Donation received	1500
Entrance fees(30% to be capitalised)	3000
Salary paid(including Rs.400 for 2012)	5000
Salary outstanding for 2013	500
Purchase of sports equipments	4000
Sale of old news paper	400
Entertainment expenses	400
Tournament expenses	1000
Rent paid	1200
Printing and stationery	1400

17. On 1st January 2000 Expo Ltd. took on lease a coal field of Landlord Ltd. on a royalty of Rs.10 per tone of coal raised, merged into a minimum rent of Rs. 20,000 and with power to recover shortworkings in any year when there is excess workings over minimum rent. The production were:

YEAR	PRODUCTION IN TONNES
2000	1200
2001	1600
2002	2200
2003	2800
2004	3000

Pass journal entries in the book of Expo Ltd

18. What do you mean by recoupment of short workings? What entries the lessee may pass in his books on it?
19. Write down the procedure of incorporating the branch Trial Balance in Head Office Books.
20. Distinguish between Sales and Consignment.

(5 x 5 = 25)

Section C
Answer any 3 (10 marks each)

21. The following is the Trial Balance of Anila Stores as on 30th June 2015,

Particulars	Dr	Particulars	Cr
Drawings	10,000	Capital	50,000
Plant and machinery	30,000	Sales less returns	1,60,000
Goodwill	20,000	Apprentice premium	1,000
Patent rights	8,000	Sundry creditors	25,000
Purchases	80,000	Provision for bad debt	500
Opening stock	30,000	Apprentice premium received in advance	500
Manufacturing wages	8,000		
Bad debts	1,000		
Depreciation	4,000		
Interest on capital	2,500		
Cash at bank	3,000		
Petty cash balance	300		
Miscellaneous expenses	700		
Salaries	3,000		
Rent	3,500		
Sundry debtors	30,000		
Bills receivable	3,000		
	2,37,000		2,37,000

Adjustments :

- Opening stock is found undercast by Rs.2000.
- Stock on 30th June 2015 is valued at Rs.42,000.
- Provision for bad debt be raised to 5% on debtors.
- Commission @2% on gross profit be provided to the works manager.
- Interest @5% be provided on drawings.

Prepare Trading and profit and loss account for the year ended 30th June 2015 and a Balance sheet as on that date.

22. From the following particulars relating to Ragam Sports Club, prepare Income and Expenditure Account for the year ended 31st December 2014 and also a Balance Sheet as on that date.
Receipts and payments account

Receipts	Amount	Payments	Amount
Balance b/d	1500	Rent	2200
Subscriptions	12500	Sports equipment	13500
Entrance fees	300	Stationery	800
Donations for building	17000	Investments	10,000
Bank interest	200	Miscellaneous expenses	1500
		Balance c/d	3500
	31500		31500

Other information:

Subscriptions include Rs.800 for 2013 and 500 for 2015. Subscriptions for 2014 still receivable were Rs.700. rent paid for 2013 was Rs350. The value of furniture on 31st December 2013 was Rs.6000. Entrance fees are to be capitalised.

23. A Colliery worked under a lease which provided for the payment of royalties at Rs. 5 per tonne with a minimum rent of Rs. 1,70,000 per annum. Each year's excess of minimum rent over actual royalties was recoverable during the subsequent three years. The lease, however, stipulated that if in any year the normal rent was not attained due to strike or accident the minimum rent was to be regarded as having been reduced proportionately having regard to the length of the stoppage. The output was as follows:

For the year ended 31 st March 1999	4000 tonnes
For the year ended 31 st March 2000	28,000 tonnes
For the year ended 31 st March 2001	30,000 tonnes
For the year ended 31 st March 2002	46,000 tonnes
For the year ended 31 st March 2003	30,000 tonnes
For the year ended 31 st March 2004	50,000 tonnes

During the year 2002-03 there was a stoppage in work due to strike lasting for three months. Give necessary ledger accounts in the books of colliery.

24. Double Horse Rise Ltd. has a branch at Trivandrum to which goods are supplied at cost plus 20% which is the selling price at branch. The following relate to the branch for the year 2005. Prepare accounts under Stock and Debtors System.

Stock at branch 1.1.05	30,000
Debtors at branch on 1.1.05	21,000
Goods sent to branch during 05	63,000
Return by branch to head office	3,000
Cash sales	37,000
Credit sales	32,000
Receipt from debtors	37,000
Discount allowed	1,200
Bad debts written off	1,300
Remittance to branch for expenses	7,000
Stock at branch on 31.12.05	18,000
Expenses outstanding on 31.12.05	1,200

25. Sanjay Industries of Ludhiana consigned 1000 Fast Rider bicycles to their agent, Riders Agency at Madras at a cost of Rs. 2,200 each. The expenses at Ludhiana were carriage and loading Rs 30,000 and insurance Rs 20,000.

Riders Agency took delivery of the bicycles after accepting a bill of Rs 7,00,000 drawn against the consignment, which the consignor discounted for Rs 6,70,000. They paid Rs 20,000 for freight, loading and unloading and sold 800 bicycles @ Rs 2,600 for cash and 50 bicycles @ Rs 2,800 on credit for which they were entitled to a commission of 6%.

A customer who bought 5 cycles became insolvent and nothing could be recovered from him. All other debts were fully collected. The sales expense of Riders Agency was Rs 14,500.

Give ledger accounts in these books of Sanjay Industries and journal entries in the book of Riders Agency.

(10 x 3 = 30)