

Name:.....Reg. No:.....

B COM DEGREE END SEMESTER EXAMINATION, OCTOBER 2015

SEMESTER – 3: BCOM (CORE COURSE)

COURSE: U3RCOM8 – FINANCIAL ACCOUNTING

Time: Three Hours

Max. Marks: 75

PART – A

Answer all Questions, Each question carries one mark.

1. What is in AS 6?
2. What do you mean by Surface Rent?
3. What do you mean by 'Nazrana'?
4. What is 'VAT'?
5. How 'Octroi' is treated on finalisation?
6. Who is a consignor?
7. Who is a lessee?
8. What is dead rent?
9. What is Stock Reserve?
10. Actual royalty payable Rs. 150000, Short workings Rs. 50000, Calculate Minimum Rent?
(1 x 10 = 10 Marks)

PART – B

Answer any eight questions. Each question carries two marks

11. Define single entry system
12. What basis of royalty would you suggest for: a) Oil Well & b) Coal Mine?
13. Define Consignment
14. What do you mean by 'Over-Riding Commission'?
15. What are closing entries?
16. Why Profit and Loss Account is called an 'Absorbent Account'?
17. What are wasting assets?
18. What are called deferred revenue expenditure?
19. How closing stock is valued on finalisation of accounts?
20. Which 'AS' explains the treatment of Duty Drawback and Modvatable Excise Duty?
(2 x 8 = 16 Marks)

PART – C

Answer any five questions. Each question carries five marks

21. State any five distinctions between Statement of Affairs and Balance Sheet
22. What do you mean by 'Analytical Method' of calculating profit or loss of a branch?

23. Mention any five distinctions between consignment and sale U 319
24. Mention any five characteristics of Balance Sheet
25. Enumerate any five distinctions between Normal loss and abnormal loss
26. One machine whose value in books as on 1st April 2014 stood at Rs. 12000 was disposed off on 31st December 2014 for Rs. 8750 in part exchange of a machine costing Rs. 19000 and an invoice for the amount Rs. 10250 was entered in the purchases book. Give adjusting entry. Ignore depreciation.
27. On 01.07.2014, Nikita Mittal commenced her business with Rs. 5, 00,000. On 01.10.2014 she sold her private investments (Cost Rs. 50,000, face value Rs. 40,000) at 125% of face value and brought the proceeds into her business. Her drawings were Rs. 1,000 pm. Goods costing Rs. 11,000 were taken by her for personal use. On 31.03.2015, Capital before the following adjustments is Rs. 7, 00,000; outstanding expenses Rs. 21,000 and prepaid expenses Rs. 4,000. Provide Interest on Capital @12% pa and for group incentive to staff @5% on Net Profit after charging such incentive and interest on capital. Calculate the profit/loss for the year ended 31.03.2015.

(5 x 5 = 25 Marks)

PART – D

Answer any two questions. Each question carries twelve marks

28. Following is the Trial Balance of M/s. Kasturi Agencies as on 31st March 2011. Prepare Trading, Profit and Loss Account and Balance Sheet on that date.

Particulars	Dr.	Cr.
Capital		100000
Building	15000	
Drawings	18000	
Furniture and Fittings	7500	
Motor Van	25000	
Loan from Hari @ 12% interest		15000
Interest paid on above	900	
Sales		100000
Purchases	75000	
Opening Stock	25000	
Establishment Expenses	15000	
Wages	2000	
Insurance	1000	
Commission received		7500
Sundry debtors	28100	
Bank Balance	20000	
Sundry Creditors		10000
Total	232500	232500

Adjustments:

- a) The value of stock on 31.03.2011 was Rs. 32,000.
- b) Outstanding wages Rs. 500.
- c) Prepaid insurance Rs. 300.
- d) Commission received in advance Rs. 800.
- e) Allow Interest on Capital @ 10%
- f) Depreciation on Building 2.5%., Furniture and fittings 10%, Motor Van 10%.
- g) Charge Interest on Drawing Rs. 500.

29. Mr. Jain wrote a book on Advanced Accountancy and got it published with M/s. Kalyani Publishers on the terms that royalties will be paid @ Rs. 50 per copy sold subject to a minimum rent of Rs. 1,50,000 with a right of recoupment of short workings over the first three years of the royalty agreement. From the following details write up (i) Minimum Rent A/c., (ii) Royalties A/c., (iii) Short workings A/c. and (iv) Mr. Jain's A/c.

Years	2011	2012	2013	2014
Number of Copies printed	2000	3000	4000	5000
Closing stock	100	200	400	500

30. A company with its head office at Kolkata has branches at Mumbai and Delhi. Goods are invoiced to the branch at cost plus 33.3333% which is the selling price. Following information is given in respect of Delhi branch for the year ended 31st March 2015:

Goods sent to branch (invoice price)	480000	Branch debtors balance (1.4.2014)	30000
Stock at branch (01.04.2014) at invoice price	24000	Branch debtors cheque dishonoured	5000
Cash sales	176000	Discount allowed	1000
Returns from customers	6000	Bad debts	1500
Branch adjustment a/c (Cr.)	6000	Collection from debtors	266000
Branch Expenses (of which non recurring Rs. 1000) paid by the HO	54500	Branch debtors balance (31.3.2015)	36500
Normal Loss at I.P.	700	Allowances to customers off selling price (already adjusted while invoicing)	300
Goods lost in transit at I.P.	10000		
Claim recoverable from the Insurance Co. for loss in transit	9000	Stock at branch (31.03.2015) at invoice price	48000
Goods returned by branch debtors direct to HO.	4000	Transfer from Delhi branch to Mumbai Branch	4000

You are required to prepare the necessary accounts under stock and debtors system to reveal the profit of the branch for the year 2014.15

31. What constitutes the Financial Statements of a Sole Trader? Explain its Nature, importance and limitations?

(12 x 2 = 24 Marks)