

B.COM. DEGREE END SEMESTER EXAMINATION - OCTOBER 2022**SEMESTER – 1: COMMERCE (CORE COURSE)****COURSE: 15U1CRCOM2: FINANCIAL ACCOUNTING***(Common for Supplementary 2018/2017/2016 /2015 admissions)*

Time: Three Hours

Max. Marks: 75

SECTION – A***Answer all questions. Each question carries 2 marks***

1. What is trial balance?
2. What is a balance sheet?
3. What is short workings? State the meanings of recoupment of short workings
4. What is difference between Debit and Credit in double entry accounting
5. What is meant by consignment?
6. Distinguish between branch and department.
7. List the major accounts to be opened under 'stock and debtors system'.
8. What do you mean by over valuation of opening stock? How will you deal with the same while preparing financial statements?
9. What do you mean by closing entries? Give two examples
10. State the meaning of account sale

(2 x 10 = 20)

SECTION B***Answer any five questions. Each question carries 5 marks***

11. Pass entries:
 - a) Goods taken by the proprietor for personal use Rs.5000
 - b) Cost of abnormal loss Rs.30000 and 75% of the loss is covered by insurance
12. What are the adjusting entries to be passed on consignment when goods are send at loaded price?
13. What do you understand when you hear that "goods sent by head office to branch at loaded price"? What are the adjusting entries to be passed at this situation?
14. Differentiate between Income and Expenditure account and Profit and Loss Account.
15. X consigned 2000 kg. of coconut oil costing Rs.15, 000. He paid freight and insurance Rs.300 and Rs.200 respectively. Y, the consignee, received the consignment and incurred Rs.300 towards unloading charges and cartage. He sold 1800 kg oil and reported the balance of stock as 150 kg. Find out the value of closing stock.
16. Distinguish between Receipts & Payments Account and Income & Expenditure account.
17. From the following particulars, calculate the amount to be debited to Income and Expenditure account for the year ended 31st December 2022 in respect of stationery consumed

Total amount related to stationery account during 2022 - 1450

Balance as on 1.1.2022

Stock of stationery - 700

Creditors for stationery – 250

Advance paid for stationery – 170

Balance as on 31.12.2022:

Stock of stationery - 125

Creditors for stationery – 175

Advance paid for stationery – 75

(5 x 5 = 25)

SECTION C

Answer any three questions. Each question carries 10 marks.

18. Write notes on:
- Treatment of normal and abnormal losses in consignment accounting
 - Valuation of unsold stock
 - Treatment of bad debts
19. On 1st January 2017, the Earth Movers mines leased some land for a minimum rent of Rs.30,000 for the first year, Rs.50,000 in the second year and thereafter Rs.1,00,000 per annum merging into a royalty of Rs.5 per ton with power to recoup short workings over two years after occurring of short workings. The outputs were as follows:
- 2017- 3000 tonnes, 2018- 8,600 tonnes, 2019 – 22,000 tonnes, 2020 – 50,000 tonnes, 2021 – 60,000 tonnes and 2022 -45,000 tonnes.
- Show how the accounts would appear in the books of Earth Movers mines.
20. Alpha Associates consigned 1,000 Motors to Bashir at an invoice cost of Rs.150 each. Alpha Associates paid freight Rs.10,000 and insurance Rs.1,500. During transit 100 motors were completely destroyed. Bashir took delivery of the remaining motors and paid Rs.14,400 as duty. Bashir sent a bank draft to for Rs.50,000 as an advance payment and later sent an account sale showing that 800 motors were sold at Rs.220 each. Expenses incurred by Bashir on godown rent and advertisement etc., amounted to Rs.2,000. Bashir is entitled to commission of 5%.
- You are required to prepare consignment account and Bashir's account in the books of Alpha Associates, assuming that nothing has been recovered from the insurance company due to defect in the policy.**
21. What do you understand by an independent branch? What books are maintained by such a branch? What are the journal entries to be passed while incorporation is done by preparing Branch Trading and Profit and Loss Account?
22. What is meant by GAAP? Illustrate and explain any five accounting concepts and conventions.

(10 x 3 = 30)
