

Reg. No.....

Name.....

B.COM. DEGREE END SEMESTER EXAMINATION - OCTOBER/NOVEMBER 2018

SEMESTER –3: COMMERCE (CORE COURSE)

COURSE: **U3RCOM8: – FINANCIAL ACCOUNTING***(For Supplementary - 2014 admission)*

Time: Three Hours

Max. Marks: 75

PART A*Answer **all** Questions, Each question carries **1** mark.*

1. What is minimum rent?
2. What is cost of goods sold?
3. What is abnormal loss?
4. Excess of opening capital over closing capital denotes
5. What do you mean by 'Nazrana'?
6. Name the statement send by the consignor to the consignee along with goods
7. Who is a consignor?
8. What is 'AS 1'?
9. What do you mean by Surface Rent?
10. What do you call the excess of minimum rent over actual royalty? (1 x 10 = 10)

PART B*Answer **any eight** questions. Each question carries **2** marks*

11. What do you mean by pure single entry?
12. What is invoice price?
13. What do you mean by 'Over-Riding Commission'?
14. What do you mean by consignment?
15. What are closing entries?
16. Give the journal entry for goods in transit in the books of head office?
17. What are called deferred revenue expenditure?
18. What is meant by goods in transit?
19. Why Profit and Loss Account is called an 'Absorbent Account'?
20. Give adjustment entries for the following items :-
 - (a) Commission receivable Rs.2,000.
 - (b) Rent outstanding Rs.1,500.
 - (c) Provide interest on capital Rs.500. (2 x 8 = 16)

PART C*Answer **any five** questions. Each question carries **5** marks*

21. Name any five defects of single entry system of accounting
22. Mention any five characteristics of Balance Sheet
23. Discuss the accounts to be maintained under stock and debtors system?

24. Explain how loss of stock by fire is treated in accounts (Give journal entries)?
25. On 01.07.2017, Nikita Mittal commenced her business with Rs.5,00,000. On 01.10.2017 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 31.03.2018, 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 31.03.2018.
26. Distinguish between single entry system and double entry system?
27. A manufacturer of medicines used medicines for personal use worth Rs.300, distributed as samples worth Rs.2500 and gave to his office staff worth Rs.1000 for their personal use. Give adjusting entry. (5 x 5 = 25)

PART D

Answer any two questions. Each question carries 12 marks

28. What constitutes the Financial Statements of a Sole Trader? Explain its Nature, importance and limitations?
29. Atlas cycles Ltd. Of Ranchi sent on consignment 100 cycles costing Rs.5,000 each invoiced at Rs. 6,000 each to Venus cycles Cochin. Atlas cycles Ltd. Paid Rs.10,000 toward packing, forwarding and insurance. 5 cycles were totally damaged in transit and Insurance Company paid Rs.25,000 in full settlement of the claim. Venus cycles took delivery of the rest paying customs duty etc. Rs.12,500. They sold 80 cycles at Rs.6,200 each. Their expenses for godown rent etc. amounted to Rs.4,500. Prepare the consignment account and the Abnormal Loss Account assuming that the Consignee is entitled to a selling commission at 15% on gross sales.
30. Following is the Trial Balance of M/s. Kasturi Agencies as on 31st March 2018. 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:

- The value of stock on 31.03.2018 was Rs.32,000.
- Outstanding wages Rs.500.
- Prepaid insurance Rs.300.
- Commission received in advance Rs.800.
- Allow Interest on Capital @ 10%
- Depreciation on Building 2.5%., Furniture and fittings 10%, Motor Van 10%.
- Charge Interest on Drawing Rs.500.

31. 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 2018:

Goods sent to branch (invoice price)	480000	Branch debtors balance (1.4.2017)	30000
Stock at branch (01.04.2017) 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 (31.3.2018)	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 (31.03.2018) 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 2017-18 (12 x 2 = 24)
