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I Semester B.Com./B.C.L.S/B.C.T.T Degree Examination, August - 2021

COMMERCE

Financial Accounting

(CBCS New Scheme 2019-20 Onwards Regular)

Paper - 1.3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates :

Answer should be written in English

SECTION - A

Answer any **five** sub questions from the following. Each sub question carries **two** marks.
(5×2=10)

1.
 - a) Mention any two conventions of Accounting.
 - b) What is a Domestic Branch?
 - c) What is Repossession?
 - d) Sales Rs. 2,00,000/- G.P Rate 25% on cost calculate cost of Goods sold.
 - e) Mention any two advantages of single entry system.
 - f) Mention any two differences between Hire purchase system and Normal sales.
 - g) Mention any four users of Accounting.

SECTION - B

Answer any **three** sub questions. Each sub question carries **5** marks. (3×5=15)

2. On what basis the following items are divided in departmental accounts.

- a) Carriage Inwards.
- b) Free samples.
- c) Discount Received
- d) Wages
- e) Electricity expenses.



[P.T.O.]



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3. Prepare an Accounting equation from the following transactions:

- a) Commenced Business with cash Rs. 60,000/-
- b) Purchased office equipment for cash Rs. 10,000/-
- c) Purchased goods on credit from Sathya Rs. 40,000/-
- d) Sold goods on credit to Ajay Rs. 18,000/-
- e) Paid expenses Rs. 10,000/-

4. Calculate the opening stock:

| | |
|---------------|----------|
| Purchases | 13,000/- |
| Sales | 22,000/- |
| Closing stock | 1,500/- |
| Wages | 250/- |
| GP on cost | 113 |
| Returns I/W | 2,000 |
| Returns O/W | 500 |



5. A vehicle has a cash price of Rs. 16,200 and is payable in 3 annual installments of Rs. 6000 Each. Find out interest and cash price component in each installment.

SECTION - C

Answer any **three** questions. Each question carries **15** marks. (3×15=45)

6. A purchased an equipment from B on 1/4/16 Whose cash price was. Rs. 8,60,000/- Rs. 1,40,000 was payable as down payment and the balance towards cash price was payable in three equal annual installments along with an interest of 10% P.A. on the outstanding balance of cash price.

A charges depreciation @ 10% P.A. on the equipment under reducing balance method.

Prepare necessary ledger Accounts in the books of hire purchaser.

7. From The following particulars prepare Departmental Trading & Profit & Loss Account for the year ended 31/3/2020.

| | M | N |
|-------------------|----------|----------|
| Stock on 1/4/2019 | 34,800 | 29,400 |
| Purchases | 70,000 | 60,000 |
| Sales | 2,40,000 | 1,60,000 |
| Direct exp. | 16,400 | 5,400 |



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| | |
|-------------------------|--------|
| Rent | 18,780 |
| Salaries | 6,000 |
| Other Expenses | 7,200 |
| Lighting | 4,200 |
| Discount Allowed | 4,440 |
| Discount Received | 1,300 |
| Advertising & Publicity | 7,360 |
| Carriage Inwards | 4,680 |

Other informations:

1. Stock on 31/3/20 : Dept M -33,480
Dept N - 24,100
2. Transfer of goods from Dept M to Dept N at cost price was Rs. 840
3. Rent , other expenses, lighting, salaries & carriage Inwards to be divided in the ratio of 2:1 between M & N.
4. Discount Allowed & Received tube divided on the basis of sales & purchases respectively.
5. Advertising & Publicity to be divided equally.
6. Total depreciation Rs. 4,800 to be divided in the ratio of 3:2 between M&N.
8. From the incomplete information extracted from the books of Mr. Q. prepare a trading and Profit & Loss account for the year ended 31/3/20 and a balance sheet as on that date.

| Assets & Liabilities | 1-4-19 | 31-3-20 |
|----------------------|--------|---------|
| Stock | 19,600 | 26,400 |
| Equipment | 4,000 | 4,000 |
| Debtors | 36,000 | 50,000 |
| Creditors | 12,000 | 9,000 |
| Bank | 10,000 | ? |

Other Transactions:

| | |
|--------------------------------------|----------|
| Collections from Debtors | 1,21,600 |
| Payment to creditors | 88,000 |
| Staff Expenses | 24,000 |
| Rent, Rates & taxes | 3,000 |
| Establishment Expenses | 3600 |
| Drawings | 6,000 |
| Fresh Capital | 4,000 |
| Cash, sales | 3,000 |
| Cash purchases | 12,000 |
| Discount received | 1,000 |
| Discount Allowed | 500 |
| Bad Debts | 1,000 |
| Returns Inwards | 400 |
| Depreciation on equipment @ 15% P.A. | |



[P.T.O.]



9. A business having its Head office at Dharwad, has a branch at Hubli, Goods are supplied by the head office Cost and the branch is required to sell them and remit cash daily. All the expenses are paid by the Head office except the petty cash expenses which are paid by the branch. Manager prepare Hubli Branch account in the books of the Head office.

| | Rs. |
|---|-----------|
| Branch Stock on 1/4/19 | 7,500 |
| Branch Debtors on 1/4/19 | 4,500 |
| Branch Petty Cash on 1/4/19 | 400 |
| Branch Furniture on 1/4/19 | 2,500 |
| Goods sent to Branch | 40,000 |
| Goods Returned by the Branch | 5,000 |
| Goods Returned by the customers of the Branch | |
| To Branch | 200 |
| Cash received from the branch debtors. | 16,000 |
| Cash sales at branch | 2,000 |
| Credit sales | 16,000 |
| Rebate allowed to debtors | 200 |
| Cheque sent to branch for expenses: | |
| Rent | 1000 |
| Salary | 800 |
| Stationery | 100 |
| Petty expenses paid by branch manager | Rs. 200/- |
| Branch stock on 31/3/2020 | 8000/- |
| Depn. on Branch furniture @ | 5% P.A. |

