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I Semester B.Com. Degree Examination, March/April - 2023

COMMERCE

Financial Accounting - I

(CBCS Scheme Regular 2019-2020)

Paper : 1.3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in English only.

SECTION-A

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

1. a) Give the meaning of down payment.
- b) Mention any two objectives of Financial Accounting.
- c) What is single entry system?
- d) State two features of hire purchase system.
- e) What are domestic branches?
- f) What is Accounting Standard?
- g) What is inter departmental transfers.



SECTION - B

Answer any **Three** questions from the following. Each question carries **5** marks.(3×5=15)

2. Mention any five differences between single entry and double entry system.
3. Prepare Accounting Equation from the following transactions.
 - a) Commenced Business with cash Rs.60,000.
 - b) Purchased furniture for cash Rs. 20,000.
 - c) Purchased goods from Vijay Rs. 30,000.
 - d) Sold goods to Ajay Rs. 18,000.
 - e) Paid expenses Rs. 20,000.

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4. On 1st April 2012, the ABC Company bought a machine from HMT Ltd. On hire purchase system. The cash price was Rs. 26,350 and the payment was to be made as follows ; Rs. 10,000 on signing of the agreement and the balance in 3 yearly instalments of Rs. 6,000 each, 5% interest is charges by the hire vendor. Calculate the interest for each year.
5. On what basis the following items are divided in departmental accounts.
- Carriage inwards.
 - Reserve for bad debts.
 - Discount received.
 - After sales service.
 - Electricity expenses.

SECTION - C

Answer any **Three** questions. Each question carries **15** marks.

(3×15=45)

6. Mr. Kushal does not maintain proper books of accounts. From the following information, prepare trading and Profit and Loss A/c for the year ended 31/3/2022 and the balance sheet as on that date.

Assets and Liabilities	1-4-2021 Rs.	31-3-2022 Rs.
Debtors	18,000	25,000
Stock	9,800	13,200
Furniture	1,000	1,500
Creditors	6,000	4,500
Cash on hand	5,000	—

Analyses of other transactions are :

Cash collected from debtors	60,800
Cash paid to creditors	44,000
Salaries	12,000
Rent	1,500
Office expenses	1,800
Drawings	3,000
Foreign capital introduced	2,000
Cash sales	1,500
Cash purchases	5,000
Discount received	700
Discount allowed	300
Return inward	1,000
Bad debts	200

7. Raman purchased a machine costing Rs. 2,40,000 on 1/4/2019 from Bangalore machines Ltd. Under Hire Purchase system. The terms being Rs. 60,000 down and the balance in three equal annual instalments together with interest at 20% P.A. on the outstanding cash price. Depreciation is to be charged at 15% P.A. under diminishing balance method. Prepare necessary ledger accounts in the books of Raman till 31/3/2022 under Asset Accrual method.
8. X. Co. Ltd., of Delhi has a branch at Chennai. Goods are sent to branch at a profit of 20% on invoice. All the expenses are paid by head office. Prepare branch A/c in head Office books showing the stocks at invoice price.

Opening balances :

Stock (IP) - Rs. 11,000.

Petty cash - Rs. 100

Debtors - ?

Goods sent to branch at IP - Rs. 20,000

Expenses paid by Head Office ;

Rent Rs. 600, wages Rs.200, salary Rs. 900.

Remittances made by the Head office ;

Cash sales Rs. 2,650, collection from debtors Rs. 21,000

Goods returned by branch to Head office (IP) Rs. 300.

Credit sales Rs. 22,800.

Balance at the end ;

Stock (IP) - Rs. 13,000, Debtors - Rs. 2,000, Petty cash - Rs. 60

Bad debts - Rs. 300, Allowances to customers - Rs. 500, Goods returned by customers - Rs. 700.

9. From the following balances extracted from Bharath stores, prepare departmental trading P/L A/c in the columnar form for the year ended 31-3-2019 :

Particulars	Dr.	Cr.
Stock 1-4-18 :		
Department - I	1,20,000	
Department - II	90,000	
Purchases and sales :		
Department - I	1,60,000	3,00,000
Department - II	1,40,000	2,80,000
Carriage inwards :		
Department - I	4,000	
Department - II	2,000	

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Machinery	36,000	
Salaries	60,000	
Rent	12,000	
Repairs to Machinery	30,000	
Debtors and creditors	45,000	60,000
Capital	—	1,60,000
Cash in hand	12,000	
Bills receivable and payable	15,000	6,000
Drawings	20,000	
Buildings	60,000	
	<u>8,06,000</u>	<u>8,06,000</u>

Adjustments :

- Stock on 31-3-19 Department - I Rs. 1,40,000, Department - II Rs. 1,20,000.
- Salaries to be divided in the ratio of 7:3.
- Value of machinery Department - I Rs. 20,000, Department - II Rs. 16,000.
- Depreciate machinery at 10% p.a. and buildings at 5% p.a.
- Area occupied in the buildings 3:2 by Dept. - I and Department - II respectively.