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I Semester B.Com./LSCM/A&F/TTM/IAS/DA.  
Degree Examination, May/June - 2022  
**COMMERCE**  
Financial Accounting  
(NEP CBCS Semester Scheme 2021-2022 Regular)

Time : 2½ Hours

Maximum Marks : 60

**Instructions to Candidates:**

Answers should be written completely in English only.

**SECTION - A**

Answer any **Five** sub questions. Each sub question carries **Two** marks. (5×2=10)

1. a. What are Accounting standards?
- b. What is cash basis of Accounting?
- c. Give the meaning of sole proprietor.
- d. What is Del - credere commission?
- e. What is Royalty?
- f. What is Environmental Accounting?
- g. What is Digital Transformation of Accounting?



**SECTION - B**

Answer any **Four** questions from the following. Each question carries **Five** marks. (4×5=20)

2. From the following information prepare a manufacturing Account of Sri Ram and Find out cost of production for the year ending 31.3.2021.
  - i) Opening stock on 1.4.2020
    - a. Raw materials-Rs. 75,000.
    - b. Work in progress Rs. 25,000
  - ii) Closing stock on 31.3.2021
    - a. Raw materials Rs. 92,500.
    - b. Work in progress Rs. 16,000.
  - iii) Direct wages Rs. 85,000, Direct expenses Rs. 32,500.
  - iv) Manufacturing expenses Rs. 92,500.
  - v) Purchase of Raw materials Rs. 2,75,000.
  - vi) Carriage Inward Rs. 20,000.

[P.T.O.]



3. Mention any five users of Accounting information.
4. Mr. Chandan of Bangalore consigned 5000 kgs of oil at Rs. 150 per kg to Mr. Pranesh of Mysore. Mr. Chandan paid packing and transportation charges of Rs. 12,500. Normal loss is 500 kg of oil. Mr. Pranesh received the remaining consignment and paid unloading charges of Rs. 5000 and Godown Rent of Rs. 12,000. Mr. Pranesh sold 3750 kg of oil at Rs. 250 per kg.

Calculate the value of Closing Stock.

5. Abhiram company took a leave of a mine for 60 years on a royalty of Rs. 10 per ton of coal raised. The minimum rent is Rs. 1,20,000 p.a. short working can be recovered within first three years of the lease. The output were as follows.

Year	Output (Tons)
1	9,000
2	11,000
3	15,000
4	9,500
5	16,500

Prepare an Analysis Table of Royalty.

6. What is cloud computing? Mention any four advantages of it.

#### SECTION - C

Answer any **Two** questions from the following. Each question carries **Twelve** marks.

(2×12=24)

7. Trial balance of Mr. Rohan, a sole trader, for the year ending 31.3.2021 is as follows.

Particular	Debit Rs.	Credit Rs.
Opening stock	35,000	
Purchases	1,45,000	
Wages	25,000	
Salary	60,000	
Rent	24,000	
Audit Fee	15,000	
Carriage Inward	5,000	
Carriage outward	6,000	
Advertisement	3,500	
Discount Allowed	500	
Commission Received		4,500
Interest Received		24,500
Cash	2,000	
Bank	12,000	
Investment	1,00,000	
Furniture	40,000	
Plant and Machinery	60,000	
Debtors	80,000	
Creditors		29,500
B/P		20,500
Capital		60,000
Drawings	10,000	
Sales		4,84,000
	<u>6,23,000</u>	<u>6,23,000</u>

**Other Details :**

- i) Closing stock was valued at 98,000.
- ii) Salary outstanding to the extent of Rs. 6,500.
- iii) Provide 10% depreciation p.a on Furniture.
- iv) Interest receivable on Investment was Rs. 500.

Prepare a trading and profit and loss account of Mr. Rohan for the year ending 31.3.2021 and Balance Sheet as on that date.

8. Priyanka Company Limited Bangalore consigned 750 cycles each costing Rs. 6500 to Mr. Anand of Shivamogga. The consignor paid Rs. 87,500 towards freight and insurance charges of Rs. 25,000. During transit 50 cycles were damaged and Insurance company settled the claim for Rs. 32,500. Mr. Anand received the remaining consigned goods and paid unloading charges of Rs. 15,000, Godown Rent Rs. 36,000, Advertisement Rs. 12,500 and salesman salary Rs. 24,000. Mr. Anand Sold 400 cycles for cash at Rs. 8000 each and 100 cycles on credit at Rs. 8,750 each. The consignee is entitled to get an ordinary commission at 10% on total sales and del credere commission at 3% on credit sales. Mr. Anand remit the balance due to consignor by Bank draft. Prepare the following accounts in the books of Priyanka company Ltd.

- i) Consignment Account.
- ii) Anand Account.
- iii) Abnormal Loss Account.

9. Bharath company obtained a lease of mining land from Sri Hari at a royalty of Rs. 25 per ton with a minimum rent of Rs. 2,40,000 p.a. loss due to shortworking for each year can be recovered during subsequent two years. The output were

Year	Output (Tons)
1)	7,500
2)	8,000
3)	10,000
4)	11,000
5)	11,500

Prepare the following ledger Accounts in the books of Bharath Company.

- i) Royalty Account.
- ii) Short working account and
- iii) Landlord Account.

[P.T.O.]



## SECTION - D

Answer any One question from the following which carries Six marks. (1×6=6)

10. Prepare a Proforma invoice with imaginary figures.
11. Following information were extracted from the Annual Report of Mr. Ramesh, a sole Trader, for the year 2020-21.

1. Plant and Machinery	Rs. 3,50,000
2. Furniture	Rs. 1,75,000
3. Land and Building	Rs. 6,75,000
4. Cash in hand	Rs. 25,500
5. Cash at bank	Rs. 1,20,600
6. Debtors	Rs. 4,35,000
7. Bills Receivable	Rs. 85,000
8. Stock at the end	Rs. 3,75,500
9. Capital	Rs. 4,80,000
10. Creditors	Rs. 2,75,000
11. Bills payable	Rs. 1,40,600
12. Outstanding Expenses	Rs. 67,500
13. Outstanding salary	Rs. 37,500
14. Prepaid expenses	Rs. 7,500

Identify and find out the amount of total current Assets and total current liabilities.