

Exam. Code : 108501

Subject Code : 1982

B.Com. 1st Semester (Batch 2021-24)

FINANCIAL ACCOUNTING

Paper—BCG-103

Time Allowed—3 Hours]

[Maximum Marks—50

Note :—Attempt **FIVE** questions in all selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. Explain the nature and limitations of Financial Accounting.
2. Write notes on the following :—
 - (a) Capital Expenditure
 - (b) Business Entity Concept
 - (c) Money Measurement Concept
 - (d) Convention of Consistency

SECTION—B

3. Discuss the accounting treatment :
 - (a) Complete voyage
 - (b) Incomplete voyage.

4. Prepare Trading and Profit & Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date from the following particulars :

	Rs.		Rs.
Capital	1,20,500	Drawings	2,500
Creditors	15,000	Purchases	85,500
Outstanding Expenses	3,400	Carriage Inward	750
Rent Received	300	Wages	11,500
Purchase Return	2,000	Power	4,000
Sales	1,44,800	Depreciation on	
Provision for		Machinery	500
Bad Debts	300	Salary	17,200
Advertisement		Discount Received	900
Development	4,000	General Expenses	4,100
Plant &		Prepaid Expenses	200
Machinery	1,10,000	Salary of Agent	4,550
Goodwill	2,500	Rent & Insurance	9,950
Agent's Samples	1,350	Discount Allowed	2,500
Opening Stock	16,000	Commission to	
Debtors	7,300	Agent	1,445
Cash at Bank	1,000		
Cash in hand	55		

Adjustments :—

- (i) Depreciate Agent's Samples by $33\frac{1}{3}\%$.
- (ii) Closing Stock was valued at Rs. 15,700. Goods costing Rs. 1,000 was destroyed by fire. The insurance Co. admitted a claim for Rs. 790 only.

- (iii) Write off Rs. 500 as Bad Debt and create a Provision for Doubtful Debts @ 5%.
- (iv) Write off Advertisement Development by 25%.
- (v) Proprietor withdrew Rs. 100 for his Pvt. Use. This amount was included in General Expenses.
- (vi) Charge 5% Manager's Commission on NET PROFIT after charging such commission.
- (vii) There is contingent liability of Rs. 4,000 in respect of Court case.

SECTION—C

5. Mr. Mohan of Mangalore consigned goods costing Rs. 40,000 to his agent Ravi at a Proforma invoice price of 20% profit on cost price. He paid Rs. 1,200 towards freight and insurance. Ravi was allowed Rs. 550 for establishment expenses. He was entitled to a commission of 3% and 2% del-credere commission. He was also allowed 10% of the net profit as special commission after charging such commission. Ravi took delivery of goods paying Rs. 400 as octroi. He sold $\frac{3}{4}$ of the goods at 50% profit on cost. He reported that $\frac{1}{2}$ of the balance of goods were destroyed by fire and a claim was lodged for Rs. 6,000. It was settled at a discount of 25% and the claim amount was received directly by the consignor. Ravi paid the amount due, by bank draft. Prepare the necessary ledger account in the books of the consignor.
6. (a) Difference between Joint Venture and Consignment.
(b) Difference between Joint Venture and Partnership.

SECTION—D

7. What do you mean by departmental accounts ? Explain the basis of allocation of expenses over various departments.
8. Moti Traders opened a Branch at Chennai on 1st July, 2018, Goods are sent from the Head Office at cost plus 25%. The Branch is advised to deposit cash every day in bank in Head Office account. From the following particulars prepare Branch Account in the Books of Head Office for the period ending December 31, 2018. Petty cash at the Branch is maintained on imprest system.

	Rs.		Rs.
Cash sent to Branch for meeting Petty Expenses	440	Cash received from Debtors	20,000
Furniture Purchased for the Branch	8,000	Discount allowed to Debtors	200
Goods sent to Branch at Invoice Price	1,20,000	Goods returned by Debtors (invoice price)	600
Expenses paid by Head Office :		Bad Debts written off	50
Rent	1,200	Petty expenses paid by Branch	650
Advertisement	800	Stock at cost on 31 st December (Excluding stock received from Debtors)	26,000
Salaries	4,000	Provide Depreciation on Furniture at 10% p.a.	
Insurance (Annual) up to 30-6-2019	300		
Cash Sales by the Branch	61,500		
Credit sales during 6 months	26,000		