

Exam. Code : 108501

Subject Code : 2780

B.Com. Ist Semester

FINANCIAL ACCOUNTING

Paper—BCG—103

Time Allowed—3 Hours]

[Maximum Marks—50

Note :— (1) Attempt any **TEN** parts of Question No. 1.
Each answer should be upto **5** lines.

(2) Attempt any **TWO** questions each from Sections B and C. Answer to each theory question should be upto **5** pages.

SECTION—A

1. Write short notes on any **TEN** of the following :

- (a) Revenue expenditure
- (b) Provision for doubtful debts
- (c) Dual aspect of accounting
- (d) Invoice and Proforma Invoice
- (e) Normal loss
- (f) Primage
- (g) Inter-departmental transfers

- (h) Independent Branches
- (i) Cash in transit
- (j) Convention of conservatism
- (k) Difference between ledger and trial-balance.

10×1=10

SECTION—B

2. Explain in detail the scope and limitations of Financial Accounting. 10
3. Explain different methods of recording transactions relating to Joint-Venture. 10
4. On 30th September, 2016 the following Trial-Balance was extracted from the books of Mr. Raj :

| Dr. Balance | Rs. | Cr. Balance | Rs. |
|---------------------|--------|------------------|----------|
| Plant and Machinery | 78,000 | Capital | 50,000 |
| Furniture | 2,000 | Sales | 1,77,000 |
| Purchases | 60,000 | Return Outward | 750 |
| Return Inward | 1,000 | Discount | 800 |
| Opening Stock | 30,000 | Sundry Creditors | 25,000 |

| Dr. Balance | Rs. | Cr. Balance | Rs. |
|------------------|-----------------|-------------------|-----------------|
| Discount | 425 | Provision for bad | |
| Sundry Debtors | 45,000 | debts | 525 |
| Salaries | 7,550 | | |
| Manufacturing | | | |
| Wages | 10,000 | | |
| Carriage Outward | 1,200 | | |
| Rent and Taxes | 10,000 | | |
| Advertisement | 2,000 | | |
| Cash at bank | 6,900 | | |
| | 2,54,075 | | 2,54,075 |

Prepare Trading and P & L a/c and Balance Sheet as on 30th September, 2016 after taking into consideration the following adjustments :

- (a) Closing Stock was valued at Rs. 34,220
- (b) Provision for bad-debts to be kept at Rs. 500
- (c) Allow interest on capital @ 5% p.a.

- (d) Furniture was sold for Rs. 760 in exchange of new furniture costing Rs. 1,680. The net invoice of 920 was passed through the purchase book
- (e) Depreciate P & M at 10% p.a.
- (f) Proprietor uses goods worth Rs. 5,000 for personal use and distributed goods worth Rs. 2,000 as free sample. 10

5. X of Jalandhar consigned to Y of Delhi goods to be sold at invoice price which represents 125% of cost. Y is entitled to a commission of 10% on sales at invoice-price and 25% of any excess realised over invoice-price. Expenses on freight and insurance incurred by X were Rs. 10,000. Account sales received shows that Y effected sales aggregating to Rs. 1,00,000 in respect of 75% of the consignment. His selling expenses to be reimbursed were Rs. 8,000. 10% of the consigned goods of the value of Rs. 12,500 were destroyed by fire at Delhi, godown and insurance claim received was Rs. 12,000 net of salvage. Y remitted the balance due in favour of X. Prepare consignment a/c and Y's a/c in the books of X making calculations to the nearest rupee. 10

SECTION—C

6. XYZ Ltd. has its branches at Agra and Moga to whom goods are invoiced at cost plus 25%. Following information is available of the transactions at Agra Branch for the year ending 31st March, 2016 :

| | 1-4-2015 (Rs.) | 31-3-2016 (Rs.) |
|------------------------|----------------|-----------------|
| Balance : | | |
| Stock at invoice-price | 40,000 | ? |
| Debtors | 12,000 | 11,000 |
| Petty Cash | 150 | 250 |

Transactions during 2015-16 :

| Particulars | Rupees |
|--|----------|
| Goods sent to Branch at Invoice Sales | 4,20,000 |
| Goods returned to H.O. at I.P. | 15,000 |
| Normal Loss at I.P. | 350 |
| Goods pilfered at I.P. | 3,000 |
| Credit Sales | 1,80,000 |
| Cash sent for petty expenses | 32,000 |
| Bad debts | 400 |
| Goods transferred to Moga Branch at I.P. | 12,000 |
| Goods lost by fire (at I.P.) | 4,000 |

| Particulars | Rupees |
|--|----------|
| Insurance co-paid to H.O. for loss by fire at Agra | 3,000 |
| Cash sales | 1,05,000 |
| Goods returned by debtors | 500 |
| Insurance charges paid by H.O. | 200 |

Prepare :

- Branch Stock a/c
- Branch Adjustment a/c
- Branch P&L a/c
- Stock Reserve a/c.

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7. Royal Ships Ltd., Kolkata, acquired a ship, m.v. Mumbai, costing Rs. 25,00,000 on 1st September, 2015 and got her insured at 6% p.a. The freight was also insured at the same rate, the amount of the policy being Rs. 16,00,000. During the 4 months to December 31, 2016, the ship made one round trip to Osaka and was half through the second trip (single way) to Osaka. It carried the following cargo :

To Osaka : 10,000 tonnes @ Rs. 20 per tonne

From Osaka : 8,000 tonnes @ Rs. 30 per tonne

To Osaka : 10,000 tonnes @ Rs. 19 per tonne.

Primage was 5% and Address commission was 10%.

The expenses incurred were :

| Particulars | Amount |
|-------------------------------|---------------------------------|
| Port Dues | Rs. 15,000 |
| Wages and Salaries | Rs. 50,000 |
| Fuel and Power | Rs. 60,000 |
| Stevedoring | Rs. 56,000 (Rs. 2 per tonne) |
| Store purchases | Rs. 15,000 |
| Stock of stores on 31-12-2016 | Rs. 3,000 |

The ship is subject to depreciation @ 6% p.a. on the original cost.

Prepare Voyage Account to ascertain profit or loss for the period, 1st September, 2015 to 31st December, 2016.

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8. Give the meaning of Departmental accounts. Explain the objectives and advantages of Departmental accounts.

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9. What is Voyage accounting ? Give the accounting treatment in case of incomplete voyage (voyage-in-progress).

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