

Exam. Code : 108501
Subject Code : 2060

B.Com. 1st Semester
FINANCIAL ACCOUNTING
Paper—BCG-103

Time Allowed—3 Hours] [Maximum Marks—50

Note :—(1) The candidates are allowed to use Non-Scientific calculator.

(2) Attempt **FIVE** questions, 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. Write notes on the following :—
 - (a) "Capital Expenditure is different from Revenue Expenditure." Explain.
 - (b) "Capital Receipt is different from Revenue Receipts." Explain.
2. Explain the scope and limitations of Financial Accounting.

SECTION—B

3. (i) What is a Voyage Account ? Why is it prepared ?
(ii) Give a specimen of Trading Account.
4. C Shipping Company Ltd., Mangalore sent its steamship "Karnataka" to New York on November 1, 2018. The ship went to New York and returned to Mangalore on February 28, 2019.

During the voyage the following expenses were incurred.

| | |
|------------------|------------|
| (a) Wages | Rs. 20,700 |
| (b) Port Charges | Rs. 55,600 |
| (c) Fuel | Rs. 15,400 |

The freights earned for both the journeys amounted to Rs. 2,10,000 and the shipping agents are entitled to a commission of 5% on freights.

The annual insurance premium for the ship was Rs. 18,000 and for the freight Rs. 6,000 p.a. The value of unsold store and provisions amounted to Rs. 7,600.

Prepare Voyage Account.

SECTION—C

5. (a) "Distinguish between Joint Venture and Consignment."
(b) "Distinguish between Normal Loss and Abnormal Loss."

6. Sri Mehta of Mumbai consigns 1,000 cases of goods costing Rs. 100 each to Sri Sundaram of Chennai. Sri Mehta pays the following expenses in connection with the consignment :

Carriage Rs. 1,000; Freight Rs. 3,000; Loading charges Rs. 1,000.

Sri Sundaram sells 700 cases at Rs. 140 per case and incurs the following expenses :

Clearing charges Rs. 850; Warehousing and storage Rs. 1,700; Packaging and selling expenses Rs. 600.

It is found that 50 cases have been lost in transit and 100 cases are still in transit.

Sri Sundaram is entitled to a commission of 10% on gross sales. Draw up Consignment Account and Sundaram's Account in the books of Sri Mehta.

SECTION—D

7. Explain the basis of allocation of expenses over various departments.
8. M/s. Bharat Enterprise Ltd. invoices goods to their various branches at cost, and the branches sell on credit as well as for cash. From the following details

relating to Bangalore Branch, prepare necessary accounts in the books of head office under stock and debtor system.

| | Rs. | | Rs. |
|--|--------|---|--------|
| Stock on 1 st January, 2019 | 15,000 | Allowances to customers | 300 |
| Stock on 31 st December, 2019 | 14,000 | Returns from customers | 600 |
| Debtors on 1 st January, 2019 | 25,000 | Bad Debts written off | 500 |
| Debtors on 31 st December, 2019 | 35,000 | Discount allowed to customers | 2,000 |
| Cash at branch on 1 st January, 2019 | 500 | Remittance from branch | 70,000 |
| Cash sent to branch | 1,500 | Rent & Taxes | 1,500 |
| Goods sent to branch | 50,000 | Salaries | 5,000 |
| Goods returned by branch | 500 | General Trade Charges | 1,500 |
| Cash sales | 32,000 | Normal Loss of goods due to wastage | 1,000 |
| Credit sales | 58,000 | Abnormal Loss of goods due to pilferage | 2,000 |