

3599A – A21 – C – F – 21



FIRST SEMESTER B.COM. DEGREE EXAMINATION, FEBRUARY 2021
Paper – I : FINANCIAL ACCOUNTING – I
(CBCS)

Time : 3 Hours]

[Max. Marks : 80

Instructions : 1) Answer all Sections according to internal choice.
2) Use of simple and non-programmable calculator is allowed.

SECTION – A

1. Answer any ten of the following questions : (10×2=20)
- Who is insolvent partner ?
 - Under what circumstances do you apply “decision in Garner v/s Murry” ?
 - Why do you prepare Total Debtors Account ?
 - What is Joint Venture ?
 - Mention the methods of piecemeal distribution of cash.
 - What is minimum rent ?
 - What is Royalty ?
 - State any two objectives of conversion of partnership in to a limited company.
 - Who is co-venturer ?
 - What is statement of affairs ?
 - What is purchase consideration ?
 - What is short working ?

SECTION – B

Answer any three of the following. Each question carries 5 marks : (5×3=15)

2. Distinguish between partnership firm and joint venture.

[P.T.O.]

SECTION – C

Question 11 is compulsory. Answer any two of the remaining. Each question carries 15 marks : (3x15=45)

7. Explain steps for conversion of single entry in to double entry system.
8. Harish and Girish were partners sharing profits and losses in the ratio of 2 : 1. Their Balance Sheet as on 31-03-2020 was as follows :

Liabilities	₹	Assets	₹
Capitals :		Cash	5,150
Harish	15,000	Bills Receivable	2,500
Girish	<u>10,000</u>	Debtors	28,500
Creditors	20,000	Stock	21,850
Bank Overdraft	10,000	Machinery	10,000
Reserves	3,000		
Girish's Loan	10,000		
	68,000		68,000

On the above date the company agreed to take over the following assets at the value shown below :

Machinery ₹ 8,000, stock ₹ 17,500, debtors ₹ 25,350 Bill Receivable ₹ 2,500 and goodwill ₹ 3,000.

The company took over creditors at ₹ 19,500. The expenses of realisation amounted to ₹ 150. The company paid the purchase consideration by allotment of 2,000 equity share of ₹ 10 each fully paid and the balance in cash.

Prepare necessary ledger accounts in the books of the firm.

9. Sri Ganesh of Gadag purchased goods of the value of ₹ 54,000 and sent them to Shri Basavaraj of Bijapur to be sold by him on joint venture, profit being divided in the ratio of 2 : 1. He also paid freight of ₹ 1,200 and insurance of ₹ 800 and drew a bill on Basavaraj for ₹ 20,000. The bill was discounted by Ganesh for ₹ 19,600. Basavaraj paid ₹ 200 for Octroi and carriage and ₹ 500 for godown rent. Basavaraj sold all the goods for ₹ 80,000 incurring sales expenses of ₹ 900 on the joint venture. Basavaraj sent a cheque for the balance due to Ganesh after charging his commission at 5% on the goods sales.

Prepare the necessary accounts in the books of both parties.



10. Allamaprabhu, Basavanna, Channabasavanna were partners in a firm. They dissolved the firm on 01-01-2020 when their Balance Sheet was as follows :

Liabilities		₹	Assets		₹
Capitals :			Cash		40,000
Allamaprabhu	70,000		Sundry Assets		2,80,000
Basavanna	50,000				
Channabasavanna	30,000	1,50,000			
Creditors		60,000			
Bank Loan		20,000			
Allamaprabhu's Loan		40,000			
Basavanna's Loan		20,000			
Reserve Fund		30,000			
		3,20,000			3,20,000

Assets realised as follows :

	₹
15-01-2020	70,000
31-01-2020	90,000
05-02-2020	1,14,000

Prepare piecemeal distribution statement.

Case Study (Compulsory) :

11. Roopa & Co. Ltd. leased a land from Deepa at a royalty of 25 paise per tonne of coal raised. Minimum rent was ₹ 24,000. The short workings to be recouped during the first four years. The coal raised in the first four years was as under :

Year	Tonnes
2017	10,000
2018	90,000
2019	60,000 (strike for 3 months)
2020	1,20,000

Prepare the Royalty Chart and Royalty Account and answer the following questions :

- What is the effect of strike on minimum rent ?
- How do you treat Irrecoverable short workings ?