

FIRST SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2022

(NEP)

FINANCIAL ACCOUNTING—I (DSC)

Time : Two Hours

Maximum : 60 Marks

*Attempt all sections according to internal choice.
Use of simple and non-programmable calculator is allowed.*

Section A

1. Answer any five of the following questions :

- (a) What is Royalty ?
- (b) What is Memorandum Joint Venture account ?
- (c) State any two disadvantages of single-entry system of book-keeping.
- (d) Who is consignee ?
- (e) State the methods of consignment.
- (f) Write journal entry for recoupment of shortworkings.
- (g) What are the ledgers prepared in self balancing system ?

(5 × 2 = 10 marks)

Section B

*Answer any four of the following.
Each question carries 5 marks.*

2. Distinguish between Single-entry and Double-entry system of book-keeping.

3. Hindustan Publishers took the publication of Financial Accounting book from Prof. Subhas Royalty per book is Rs. 50. Minimum rent is Rs. 1,00,000 p.a. shortworkings is recoverable out of excess royalty in the first four years. Number of books sold during five years is as follows :

Year	No. of books
2017 ...	1000
2018 ...	1500
2019 ...	2000
2020 ...	3000
2021	4000

Prepare Royalty payable chart.

4. Mr. Akash and Mr. Bharath entered into Joint Venture sharing profits and losses equally. Mr. Akash purchased goods worth Rs. 2,00,000 and Bharath purchased goods costing Rs. 1,00,000 Akash paid expenses of Rs. 10,000 and Bharath paid expenses of Rs. 20,000. Bharat sold entire stock for Rs. 5,00,000. Mr. Bharath settled the account after deducting his commission at 10 % on total sales. Prepare (a) Joint Venture account ; (b) Bharat's account in the books of Akash.

Turn over

5. From the following particulars of Mr. Suresh prepare Debtors Ledger Adjustment Account in the General Ledger :

	Rs.
(a) Debtors balance [on 1-4-2020] Dr. ...	50,000
(b) Debtors balance [on 1-4-2020] Credit ...	2,000
(c) Credit sales ...	5,00,000
(d) Cash sales ...	1,00,000
(e) Bills receivable received ...	1,50,000
(f) Cash received from debtors ...	2,00,000
(g) Bad debts written off ...	10,000
(h) Provision for doubtful debts ...	5,000

6. Vivek consigned 5,000 kgs. of oil to Mr. Rafi at Rs. 100 per kg. He paid Rs. 5,000 for transportation. 500 kg. of oil was lost in transit. Rafi sold 4000 kg. of oil at Rs. 200 per kg. and paid selling expenses of Rs. 3,000.

Calculate value of abnormal loss and value of closing stock.

(4 × 5 = 20 marks)

Section C

Question 11 is compulsory (case study).

Answer any two of the remaining.

7. Write proforma journal entries in the books of lessor.
8. Amit and Sunil entered into Joint Venture to purchase machinery for sales. Amit contributed Rs. 10,00,000 and Sunil Rs. 5,00,000. They opened a Joint Bank Account and deposited the amount :

	Rs.
Purchase of machinery ...	5,00,000
Expenses paid ...	50,000
Amit purchased machinery ...	3,00,000
Sunil purchased machinery ...	2,00,000
Amit sold machinery ...	9,00,000
Sunil sold machinery ...	10,00,000

Remaining machinery taken over by Amit for Rs. 1,00,000. Prepare (i) Joint Venture A/C ; (ii) Venturer's A/C ; and (iii) Joint Bank A/C.

9. Prepare (i) Debtors Ledger Adjustment A/c ; (ii) Creditors Ledger Adjustment A/c in the General Ledger under self balancing system :

	Rs.
Debtors opening balance [Dr.] ...	1,00,000
Debtors opening balance [Cr.] ...	5,000
Credit sales ...	5,00,000
Cash sales ...	75,000
Cash received from debtors ...	3,00,000
B/R received from debtors ...	90,000
Bad debts ...	5,000
Creditors opening balance [Cr.] ...	75,000
Creditors opening balance [Dr.] ...	6,000
Cash paid to creditors ...	2,00,000
B/P issued to creditors ...	50,000
Credit purchases ...	2,75,000
Discount earned ...	10,000
Cash purchases ...	40,000

10. Radha keeps her books under single-entry system. She gives you the following information :

	Rs.		Rs.
Stock (opening) ...	36,000		
Stock (closing) ...	34,600		
Debtors (closing) ...	29,600		
Creditors (closing) ...	18,600		
Bills receivable (closing) ...	9,600		
Bills payable (closing) ...	11,200		
Cash (closing) ...	3,600		
Opening capital ...	55,400		
Credit sales ...	96,000	Cash sales ...	24,000
Credit purchases ...	69,800	Cash purchases ...	20,200

Transactions during the year :

Sundry income—600

Office expenses—12,000

Drawings—8,000

Furniture purchased 13,200.

Prepare :

- (a) Trading and Profit and Loss Account.
- (b) Balance Sheet at the end of the year.
- (c) Create RDD of Rs. 600 on debtors.

Turn over

11. [Compulsory question] Case Study :

Mallikarjun of Mysore consigned 400 radios costing Rs. 2,000 each to Channappa of Chikkodi. He paid Rs. 25,000 for freight and insurance. During the transit 10 radios were totally damaged.

Consignee took delivery of rest of radios and paid Rs. 10,000 for unloading and carriage charges, subsequently he paid Rs. 10,000 for godown rent and Rs. 20,000 for selling expenses. He sold 350 radios at Rs. 4,000 each. He is entitled to commission at 10 % on gross sales. He also sent a bank draft in settlement of accoutns. Prepare consignment account in the books of Mallikarjun of Mysore assuming that case 1 under cost price method ; case 2 under invoice price method [loading 20% on cost price].

(3 × 10 = 30 marks)