



**FIRST SEMESTER B.COM. (REVISED NEP) DEGREE EXAMINATION,  
JANUARY/FEBRUARY 2025  
COMMERCE (DSC)  
Financial Accounting**

Time : 3 Hours]

[Max. Marks : 80

- Instructions :** 1) Answer *all* the questions as per internal choice.  
2) Simple calculator are **allowed** to be used.

**SECTION – A**

Answer the following questions. **Each** question carries **two** marks. **(10×2=20)**

1. Name any two merits of single entry system.
2. Why total debtors account are prepared ?
3. Give the meaning of head-office.
4. What are inter branch transaction ?
5. Who is consignor and consignee ?
6. Name any two non-recurring expenses.
7. What do you mean by copyright royalty ?
8. What is shortworking ?
9. What do you mean by inter departmental transaction ?
10. What are departmental accounts ?

**SECTION – B**

Answer **any three** from the following. **Each** question carries **five** marks. **(3×5=15)**

11. Mr. Sagar kept his books under single entry system on 1-1-2025 his Assets and Liabilities are as follows :

Bank overdraft	2,000
Outstanding expenses	4,000
Land and Building	56,000

[P.T.O.]



Machinery	37,000
Stock	45,000
Bills receivable	15,000
Debtors	23,000
Cash	1,000
Creditors	21,000

Calculate the opening capital of the business.

12. Alnavar mine company took stone mine from Dharwad company at a royalty of Rs. 4 per tonne stone raised with a minimum rent of Rs. 20,000/- per annum. Each year excess of minimum rent over royalty is recoverable out of the royalty in the next two years.

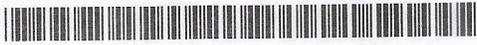
The quantity of stones raised was as under :

Year	Output in tonnes
I	3500
II	4000
III	5500
IV	8000

Prepare royalty chart.

13. Manasa traders has a branch at Hubballi from the following particulars, prepare Branch Account in the books of Head Office.

Stock on	1-1-24	40,000
Petty cash	1-1-24	400
Goods sent to branch during 2024		1,00,000
Cash sent to branch during 2024		
Salaries		12,800
Rent		4,000
Petty cash		3,600
Goods returned by branch during 2024		4,000
Cash received from branch 2024		1,32,000
Stock on 31-12-24		48,000
Petty cash on 31-12-24		800



- 14. Distinguish between Proforma Invoice and Account Sales.
- 15. Give the examples of expenses for the following ratio :
  - a) Sales ratio (any two)
  - b) Area occupied ratio (any two)
  - c) No. of employees ratio (any two)
  - d) Purchase ratio (any two)
  - e) No. of light points (any one)

SECTION – C

Answer **any three** from the following. **Each** question carries **15** marks. **(3×15=45)**

- 16. What is single entry system ? How would you proceed with the conversion of single entry into double entry ?
- 17. What do you mean by branch ? What are the different kinds of branch that a head office open ? Explain them briefly.
- 18. Kumta mining company took a mine on royalty from Landlord at royalty of Rs. 20 per tonne of mine raised with a minimum rent of Rs. 50,000 P.A.

The term of agreement were as follows :

- a) Each years excess of minimum rent over actual royalties earned shall be recoverable out of the excess royalty of next two years.
- b) In the event of strike minimum rent be reduced proportionately to the period of strike.

The output for the four years were as under :

Year	Output in tonnes
2021	2000
2022	2200
2023	2800
2024 (strike for 3 months)	3000

You are required to prepare

- a) Royalty chart
- b) Royalty account
- c) Landlord account
- d) Shortworking account.



19. Krishna of Gadag consigned 100 cricket bats to Shankar of Naregal at a proforma invoice price of Rs. 900 per cricket bat. The cost of each cricket bat was Rs. 600/-. He paid Rs. 3,000 on packing and forwarding and received on advance of Rs. 40,000 from Shankar. Shankar incurred Rs. 2,000/- on unloading and cartage and selling expenses Rs. 1,500. Shankar is entitled to a commission at 5% on gross sales. He sold 90 cricket bats for Rs. 90,000 and remitted the amount due to Krishna by bank draft.

Prepare the necessary accounts in the books of Krishna.

- Consignment Account
- Goods sent on consignment A/c
- Shankar's Account.

20. From the following information prepare Trading and Profit and Loss Account for the year ending 31-3-2024

Particulars	Dept. X	Dept. Y	Total
Stock on 1-4-2023	10,000	15,000	25,000
Purchases	2,55,000	1,56,000	4,11,000
Sales	4,52,000	3,08,000	7,60,000
Return outwards	5,000	6,000	11,000
Wages	18,000	16,000	34,000
Return inwards	2,000	8,000	10,000
Salary	—	—	40,000
Rent	—	—	10,000
Discount allowed	—	—	15,000
Discount received	—	—	16,000
Advertisement	—	—	20,000
Stock on 31-3-2024	60,000	10,000	70,000

**Other information :**

- Staff appointed X – 5 Y – 3 Persons
- Area occupied X – 600 X – 400 Sq. ft.

- Inter departmental transfers

Dept. X to Y 20,000

Dept. Y to X 15,000