

B. Com. DEGREE (C.B.C.S.) EXAMINATION, NOVEMBER 2022
(2022 Admissions (regular) 2021 Admissions (Improvement / Supplementary), 2020, 2019, 2018, Admissions
Supplementary)
SEMESTER I - CORE COURSE (COMMERCE)
CO1B02B18 - FINANCIAL ACCOUNTING I

Time : 3 Hours

Maximum Marks : 80

Part A**I. Answer any Ten questions. Each question carries 2 marks****(10x2=20)**

1. Describe contingent liabilities. Give 2 examples.
2. Describe Capital Expenditure. Give 3 examples .
3. Discuss the needs for preparing balance sheet.
4. State the purpose of preparing the statement of affairs.
5. Write about Bills Payable account.
6. Design a total creditors account with the items that usually appear in that.
7. Explain the treatment of "cash subsidy" in Royalty Accounts.
8. Explain the different types of Royalties.
9. Briefly explain the meaning of consignment business.
10. Write a short note on Abnormal Loss.
11. Explain the need for sending goods at invoice price.
12. What is crop account?

Part B**II. Answer any Six questions. Each question carries 5 marks****(6x5=30)**

13. Compare Profit and loss account and balance sheet.
14. Find out purchases:

Opening stock	10,000
Closing stock	12,000
Wages	8,000
Salary	13,000
Sales	60,000

Gross profit, 1/4 th of cost.

15. What are the advantages of Single entry system?
16. Mr. Incomplete started a small retail shop on 1st January 2016 with a capital of Rs. 25,000. On 31st December 2016, he had cash in hand Rs.3,000, Cash at Bank Rs.7,500, Stock in trade Rs.6,500, Sundry debtors Rs.12,000, Furniture Rs. 6,000 and Sundry creditors Rs.5,000. During the year he withdrew Rs.6,000 for personal purpose and brought in Rs. 2,000 from private property.
Ascertain the profit or loss of Mr. Incomplete for the year ended 31st December 2016.
17. Prepare Total Debtors Account to find out credit sales form the following:

Opening debtors Rs.7,500, Closing debtors Rs.11,250, Cash received from debtors Rs.72,550, Discount allowed Rs.2,250, Bad debts written off Rs.350, Goods returned by debtors Rs.2,200, Bills received from debtors Rs.7,500.

18. Write a note on "Restricted right of recoupment" and "Unrestricted right of recoupment".
19. A of Delhi consigned goods of the cost of Rs.20,000 to his agent B at Cochin and incurred Rs.4,000 for packing forwarding and freight. B took delivery of the goods after spending Rs.6,000 for duty and clearing charges. He sold $\frac{3}{4}$ of the goods for Rs.30,000 for which he is entitled to a commission of 5%. His sales expenses amounted to Rs.600. Prepare consignment account after showing the valuation of unsold stock.
20. Discuss the advantages of farm accounting.
21. From the following details as on 31st December 2019, make up the cattle account in the book of Nandu Farm Ltd.

PARTICULARS	NUMBER	AMOUNT
Cattle (opening value of live stock)	100	3,00,000
Cattle food (opening stock)	---	30,000
Purchases of cattle food	---	1,35,000
Purchases of cattle (during the year)	200	5,85,000
Sale of cattle (during the year)	150	5,62,500
Sale of milk and milk products	---	1,01,000
Sales (total) of Slaughtered cattle	40	1,80,000
Sales of carcasses	5	750
Cattle (closing value of livestock)	115	5,85,000
Cattle food (closing stock)	---	37,500

Out of calves born during the year, 4 died and their carcasses realised Rs 250. Crop worth Rs 22,500 grown in the farm was used for feeding. Rs 15,000 is estimated to be wages for rearing etc. Slaughter house expenses amounted to Rs 22,500. Charge depreciation Rs 7,500 and insurance Rs 3,750. Cattle wastes used for crop division Rs.15,500.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Briefly explain Balance Sheet its characteristics. Distinguish between Balance Sheet and Trial Balance.
23. From the following details to Mr Donald who keeps his books under single entry system. You are required to prepare a Trading and Profit and Loss Account for the year ended 31.12.2017 and a Balance Sheet as on that date.

Assets & Liabilities	01.01.2017	31.12.2017
Stock	18,700	23,400
Debtors	12,000	14,000
Creditors	9,000	1,500
Bills Receivable	4,000	5,000
Bills Payable	1,000	1,200
Furniture	600	600
Machinery	12,000	12,000

Cash A/C

Receipt	Amount (Rs.)	Payment	Amount(Rs.)
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To balance b/d	4,350	By drawings	15,520
To debtors	38,400	By creditors	27,100
To bills receivables	12,000	By bills payable	9,300
To commission received	1,500	By wages	32,000
To cash sales	48,600	By salaries	16,500
To balance c/d	3,350	By rent & taxes	4,800
		By insurance	800
		By carriage	1,250
		By advertising	1,330
	1,08,200		1,08,200

Additional information

1. A provision for Rs. 1450 is required for diubtful debts.
 2. Depreciate machinery and furniture by 5 %
 3. Wages outstanding Rs.3,000 and salary outstanding Rs.1,200
 4. Insurance prepaid Rs. 250
 5. Legal expense outstanding Rs. 700
24. Navya Minerals Ltd. took a mine on lease for a period of 99 years from 1st January 2010 on the following terms:
 Dead Rent per year Rs. 12,000 .Shortworkings can be recouped with in the next two years.
 If there is an accident or strike, minimum rent is to be reduced by 25% for that year. Royalty is to be calculated at 50 paise per tonne. Payment for an year is to be made on 31st March next year, production from 2010 to 2014 was as follows:
 2010-14,000 tonnes; 2011-18,000 tonnes; 2012-30,000 tonnes; 2013-22,000; 2014-30,000 tonnes. There was a strike during 2013.
 Prepare important ledger accounts in the books of Navya Minerals Ltd.
25. Rethesh Traders, Madurai consigned goods of the cost of Rs.40,000 to Rajesh Agencies Coimbatore. Rethesh Traders paid insurance Rs.800 and Freight Rs.2000.
 Rajesh Agencies took delivery of the consignment and sold some of the goods for Rs.55,000. They spent Rs.1000 for carriage and Rs.600 for sales expenses. They are entitled to a commission of 5% on sales. The unsold goods with Rajesh Agencies is valued at Rs. 8,200.
 Give ledger accounts in the books of M/s. Rethesh Traders and Rajesh Agencies.