

B.COM DEGREE (C.B.C.S.S) EXAMINATION, OCTOBER 2018
(2017 Admissions Regular & 2016 Admissions Supplementary /Improvement)
SEMESTER III - CORE COURSE (CAPITAL MARKET)
CO3B010B - FINANCIAL ACCOUNTING II
(For B.Com Capital Market)

Time: Three Hours

Total Marks: 80

PART A**I Answer all questions. Each question carries 1 mark**

1. Define Hire Purchase Agreement.
2. Define Consignment.
3. What is contract Account?
4. Define HRA.
5. What is Green Accounting?
6. What do you mean by Credit Purchase Method?

(6x1=6)**PART B****II Answer any seven questions. Each question carries 2 marks.**

7. Distinguish between cash price and hire purchase price.
8. What is an account sale? How does it differ from an invoice?
9. What is a Fully Completed Contract?
10. Give a note on IFRS.
11. State three main benefits of green accounting.
12. What is the importance of HRA?
13. What are the arguments against green accounting?
14. What do you mean by Escalation clause?
15. Who are the parties to a consignment? Briefly explain.
16. What do you mean by repossession?

(7x2=14)**PART C****III Answer any five questions. Each question carries 6 marks**

17. What is the difference between Hire Purchase System and Instalment System?
18. What is WIP? How do you calculate WIP?
19. On 1st January 2017 X Ltd consigned 100 electric stoves of the cost of Rs.400 each to Y Ltd of Cochin on commission basis. X Ltd paid Rs.2,000 for packing and forwarding. Y Ltd took delivery of the goods on 5th January after accepting a 30 days bill for Rs.10,000 and paid Rs.400 for carriage. Y Ltd sold 90 stoves @ Rs.500 and the balance for Rs.490 each. Their sales expenses amounted to Rs.1,600. On 30th June 2017, Y Ltd forwarded account sales together with a draft for the amount due. Y Ltd is entitled to a commission of 8% on sales. Prepare Account sales to be rendered by Y Ltd and also prepare ledger accounts in the books of Consignor and Consignee.

20. Compute estimate of profit on contract (which has been 80% complete) from the following particulars using four methods of computing profit

	Rs
Total expenditure to date	85,000
Estimated further expenditure to complete the contract	17,000
Contract Price	1,53,000
Work Certified	1,00,000
Work not certified	8,500
Cash received	81,600

21. Explain the terms a. Inward Consignment b. Overriding Commission c. Normal Loss d. Abnormal loss
22. A Metal Products, Patna consigned goods of the cost Rs.80,000 to A Agencies, Manila and incurred Rs.8,000 for freight and insurance. A Agencies took delivery of goods after spending Rs.24,000 for duty and clearing charges. They sold $\frac{3}{4}$ of the goods for Rs. 1,40,000 for which a commission of 6% on gross sales is payable. Their sales expenses amounted to Rs.4,800.
Prepare ledger accounts in the books of A Metal Products and show the valuation of stock.
23. State the difference between Consignment and Sale.
24. Swamy bought a machine of cash price of Rs.45, 000 under hire purchase system from Vivek on 1st January 2014. Swamy paid Rs.15, 000 on signing the agreement and the balance was paid in 3 equal yearly instalments of Rs.15, 000 each. Calculate the total interest for 3 years.

PART D

(5x6=30)

IV Answer any two questions. Each question carries 15 marks.

25. Define Hire Purchase Agreement. Explain the accounting treatment under Hire Purchase System.
26. The following balance was extracted from the books of a building contractor on 31st March 2017.

	Rs
Materials issued to site	1,20,000
Wages paid	1,70,000
Direct charges paid	8,000
Indirect expenses	12,000
Plant issued to site	1,00,000
Value of work certified by 31.03.2017	4,00,000
Cost of work uncertified	30,000
Wages outstanding on 31.03.2017	15,000
Direct expenses outstanding	4,000
Cash received from contractee	3,00,000
Unused materials on 31.03.2017	20,000

The work was commenced on 1st July 2016 and the contract price was agreed at Rs.20,00,000. Prepare contract account, contractees account and work in progress account for the year providing for depreciation of plant @ 20%. Also show how the items would appear in the Balance Sheet..

27. What do you mean by HRA? What are its objectives?
28. What is Green Accounting? Explain the benefits of Green Accounting

(2x15=30)