

B.COM. DEGREE (C.B.C.S.S) EXAMINATION, OCTOBER 2018
(2017 Admissions Regular, 2016 Admissions Supplementary/Improvement & 2015
Admissions Supplementary)
SEMESTER III - CORE COURSE (COMMERCE)
CO3B010B - FINANCIAL ACCOUNTING
(For B.Com Finance & Taxation)

Time: Three Hours

Maximum Marks: 80

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

1. What is deferred revenue expenditure?
2. What is overriding commission?
3. What is cash in transit?
4. What is accrued income?
5. What is minimum rent?
6. Who is a lessee?

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

7. What are the important types of Royalties?
8. What do you mean by a branch?
9. Mention the different ways of keeping the accounts of dependent branches by head office.
10. What are the limitations of single entry system?
11. Explain the terms a) Outstanding expenses b) prepaid expenses
12. What do you mean by a Pro-forma Invoice?
13. What are non-recurring expenses?
14. What is dead rent?
15. What are the features of dependent branches?
16. What do you mean by consignment?

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

17. General Minerals Ltd. are the lessees of a mine from Dhanraj on a royalty of Rs. 20 per tonne of minerals raised with a Dead Rent of Rs. 30,000 per annum and with power to recover shortworking during any year of the lease when there is excess of royalty over minimum rent.

The output of the first five years was as follows:

Year ending 31 st December 2001	900 tonnes
Year ending 31 st December 2002	1200 tonnes
Year ending 31 st December 2003	1400 tonnes
Year ending 31 st December 2004	1800 tonnes
Year ending 31 st December 2005	2600 tonnes

Draft the necessary journal entries and prepare important ledger accounts in the books of General Mineral Ltd.

18. What are the differences between balance sheet and statement of affairs?
19. What are the features of accounts from incomplete records?
20. What are the adjusting entries to be given in head office books to find out the correct profit when goods are sent at a price higher than cost?
21. Write a short note on the following a) Royalties Receivable b) Shortworking c) Recouping of shortworking
22. What do you mean by accounting conventions or principle? Explain different accounting principles?
23. Give note on the following a) Rectifying entries b) Adjusting entries
24. Usha Fans, Bombay, consigned 1,000 table fans to Cool Breeze Agencies, Poona for sale on a commission of 5% including 1% delcredere commission. The cost price of a fan was Rs.1,200. But the invoice was made at Rs.1,500. The expenses at Bombay amounted to Rs.27,000 and that at Poona before reaching the goods at godown was Rs.23,000. Cool Breeze Agencies sold 800 fans @ 1,600. The sales expenses being Rs.14,000.

The consignee sends a draft for the amount due along with the account sales. Give accounts in the books of both the parties.

(5x6=30)

PART D

IV Answer any two questions. Each question carries 15 marks

25. The following is the Trial Balance of Sree Ganesh Traders as on 31st December, 2005.

Particulars	Dr.	Particulars	Cr.
Drawings	4,000	Capital	47,000
Opening stock	16,000	Sales	90,000
Purchases	54,000	Provision for bad debts	3,300
Excise Duty	3,000	Creditors	14,000
Manufacturing wages	4,000	Interest	700
Coal, coke and power	2,000	Bills payable	9,000
Salaries	4,200		
Office expenses	2,400		
Bad debts	500		
Debtors	12,200		
Plant and machinery	30,000		
Cash and bank balance	4,000		
12% investments	12,000		
Insurance and taxes	1,800		
Trade expenses	900		
Furniture and fixtures	6,000		
Bills receivable	7,000		
	1,64,000		1,64,000

Adjustments:

- 1) Closing stock is valued at Rs.37,000
- 2) Salaries outstanding are Rs.800 and insurance is prepaid for 3 months @ Rs.600 per annum.
- 3) Write off Rs. 200 for bad debts and provide 5% for bad debts.
- 4) Provide 2% of debtors and creditors for discount.
- 5) Interest of investment is due for the last 3 months.
- 6) Manager is entitled to a commission of 5% on net profit.

Prepare Trading and Profit and Loss account for the year ending 31st December, 2005 and a Balance sheet as on that date.

26. Sanjay Industries of Ludhiana consigned 1000 Fast bicycles to their agent, Riders Agency at Madras at a cost of Rs. 2,200 each. The expenses at Ludhiana were carriage and loading Rs.30, 000 and insurance Rs.20, 000.

Riders Agency took delivery of the bicycles after accepting a bill of Rs.7,00,000 drawn against the consignment, which the consignor discounted for Rs. 6,70,000. They paid Rs.20,000 for freight, loading and unloading and sold 800 bicycles @ Rs.2,600 for cash and 50 bicycles and @ Rs.2,800 on credit for which they were entitled to a commission of 6%. A customer who bought 5 cycles became insolvent and nothing could be recovered from him. All other debts were fully collected. The sales expense of Riders Agency was Rs.14, 500. Give ledger accounts in these books of Sanjay Industries and journal entries in the books of Riders Agency.

27. Explain about the various accounting standards.

28. X keeps his books under single entry system. His capital on 1st January 2005 was Rs. 58200.

The following is the analysis of his cash book for the year ended 31st December 2005.

Receipts	Rs	Payments	Rs.
To Bank balance on 1.1.05	5,600	By Payment to creditors	70,000
To received from debtors	96,000	By salary	13,000
To cash sale	22,000	By General expenses	5,000
To capital brought	12,000	By Rent and taxes	3,000
To interest on investments	400	By Drawings	7,200
		By Purchase	24,000
		By Bal. at bank on 31.12.05	12,800
		By cash in hand on 31.12.05	1,000
	1, 36,000		1,36,000

Particulars of his assets and liabilities are as follows:

	1.1.05	31.12.05
Debtors	29,000	35,200
Creditors	11,600	15,800
Machinery	15,000	15,000
Furniture	2,400	2,400
Stock	7,800	11,400
Investment	10,000	10,000

Prepare final accounts for the year ending 31st December, 2005 after providing depreciation at 10% on machinery and furniture and Rs.1, 600 against doubtful debts.

(2x15=30)