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(Pages : 4)

Reg. No. : .....

Name : .....

Third Semester B.Com. LL.B. (Five Year Integrated) Degree  
Examination, March 2015  
Paper – II : FINANCIAL ACCOUNTING

Time : 3 Hours

Max. Marks : 80

I. Answer any five of the following. Each carries 2 marks.

(5×2= 10 Marks)

- 1) What is Accounting Standards ?
- 2) Explain the concept of conservatism.
- 3) State any four objectives of financial accounting.
- 4) Give the journal entry for abnormal loss in the book of Consigner.
- 5) What do you mean by sectional balancing system ?
- 6) State any four features of single entry system.
- 7) Explain the term Capital fund.

II. Answer any four of the following. Each carries 4 marks.

(4×4= 16 Marks)

- 1) How will you treat 'stock destroyed by fire' in the final accounts of a sole trader ?
- 2) Distinguish between self balancing and sectional balancing system.
- 3) Give the treatment of following items in the books of a non-profit organization.
  - Annual subscription
  - Entrance Fees
  - Legacy
  - Donation.
- 4) Give the adjustment entry for the following :
  - i) Depreciation
  - ii) Outstanding expense.
- 5) Explain the valuation and treatment of unsold stock under consignment accounting.

II. Answer any four of the following. Each carries 6 marks :

(4×6= 24 Marks)

- 1) Distinguish between Statement of affairs and Balance Sheet.



2) From the following information prepare Trading Account

Purchases	: 40,650	Opening stock	: 7,800
Wages	: 11,000	Closing stock	: 9,800
Sales	: 99,000	General expenses	: 3,000

IV. A

1

3) From the following information find out credit sales.

Debtors on the opening date	: 15,000
Cash received from debtors	: 25,000
Debtors on the closing date	: 21,000
Discount allowed to debtors	: 800
Bad Debts written off	: 1,500
Carriage inwards	: 700

2

4) Mohan owns a tailoring shop. He does not maintain complete double entry books of accounts. From the following information, help Mohan to prepare Statement of Affairs and Profit earned during the year ending 31 December 2014.

	31-12-2014	1-1-2014	31-12-2014
Particulars	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Cash in Hand	25,000	20,000	25,000
Bank Overdraft	45,000	70,000	45,000
Stock in trade	1,07,500	92,500	1,07,500
Sundry Creditors	55,000	65,000	55,000
Sundry Debtors	75,000	80,000	75,000
Bills receivables	12,500	20,000	12,500
Furniture and fittings	10,000	12,500	10,000
Machinery	90,000	1,00,000	90,000
Building	1,22,500	1,25,000	1,22,500
Bills payables	15,000	10,000	15,000
Motor vehicles	60,000	—	60,000
Unpaid expenses	1,500	2,000	1,500

5) From the following particulars you are required to prepare Bought Ledger Adjustment A/C (in General ledger) of Raj Kumar who keeps his ledger on self balancing system.

Sundry creditors opening balance	: 37,000	Credit Purchase	: 9,000
Paid to Creditors	: 19,750	Bills Payable	
Discount allowed by them	: 650	accepted	: 3,000
Rebate Allowed by Creditors	: 300	Returan outwards	: 1,200
		Bills Receivable dishonoured	: 750

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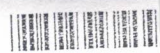
IV. Answer any three of the following. Each carries 10 marks. (3×10= 30 Marks)

- 1) Distinguish between Income and Expenditure and Receipts and Payment Accounts.
- 2) From the following Trial Balance, prepare Final Accounts of Mr. X for the year ended 31<sup>st</sup> March 2014.

Trial Balance			
Debit Balances	Amount	Credit Balances	Amount
Cash in hand	1,200	Capital	1,00,000
Purchase	1,20,000	Creditors	24,000
Stock (1-04-2013)	35,000	Bills Payable	23,000
Debtors	50,000	Sales	2,00,000
Plant and Machinery	60,000	Discount received	200
Furniture	15,000		
Bills Receivable	20,000		
Rent	10,000		
Wages	16,000		
Salaries	20,000		
<b>Total</b>	<b>3,47,200</b>	<b>Total</b>	<b>3,47,200</b>

**Additional Information :**

- a) Closing Stock Rs. 40,000.
- b) Outstanding Rent Rs. 2,000, Wages Rs. 3,000, and Salaries Rs. 4,000.
- c) Discount Accrued Rs. 1,000.
- d) Provide depreciation on Plant and Machinery at 5% and Furniture at 10%.



3. On 1-1-2013 X and Co. of Delhi consigned 100 cases of milk powder to Y and Co. of Chennai. The goods were charged at a proforma invoice value of Rs. 10,000 including a profit of 25% on invoice price. On the same date the consignor paid Rs. 600 for freight and insurance. On 1-6-2013 the consignee paid Import Duty Rs. 1,000 and Dock Dues Rs. 200 and sent to the consignor a bank draft for Rs. 4,000 as advance. On 1-8-2013 they sold 80 cases for Rs. 10,500 and sent a remittance for the balance due to the consignor after deducting commission at the rate of 5% on gross sale proceeds. Show Consignment Account in the book of X & Co.

4. The Receipts and Payment Account of a Club for the year ending 31<sup>st</sup> December, 2014 was as under :

By Balance b/d	95,000	By Salaries	95,000
Cash and Bank	24,000	By Subscription News Paper	24,000
To Donations	2,08,000	By Sundry expenses	58,000
To Subscription	1,48,900	By Investments	2,00,000
To Entrance fees	24,000	By Balance c/d	
To Interest on Investment	26,600	Cash and Bank	1,12,000
To Surplus from Matches	54,000		

You are required to prepare Income and Expenditure account for the year 2013 and Balance Sheet as on 31<sup>st</sup> December 2013 on the basis of following additional information :

- Subscription for newspapers included Rs. 4,000 paid for the year 2013 and Rs 6,000 for the year 2015.
- Half of the amount of entrance fees and 40% of the surplus from is to be transferred to Building Fund. Building Fund on 1-1-2014 amount to Rs. 60,000.
- Donations received are to be capitalized.
- Subscription included Rs. 1,000 for the year 2015 and Rs. 4,000 for the year 2013.
- Other assets on 1-1-2014 were as follows :
 

Club Building	2,84,000
Furniture	64,000
Investments	60,000
- Depreciate building and furniture @ 10%.