

Reg. No. :

Name :

**Third Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
August 2019**

Paper II : FINANCIAL ACCOUNTING

Time : 3 Hours

Max. Marks : 80

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

1. Define Accountancy.
2. What are Accounting Standards?
3. What are self balancing ledgers?
4. What is double entry system in accounting?
5. Explain consignment.
6. Explain realization concept.
7. Explain cost price method.

(5 × 2 = 10 Marks)

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

1. What are the functions of accounting?
2. What are the accounting conventions?

3. Explain the distinction between self balancing and sectional balancing system.
4. Explain the calculation and treatment of unsold stock.
5. Explain the difference between consignment and sales.

(4 × 4 = 16 Marks)

III. Answer **any four** of the following.

1. Distinguish between cost price method and invoice price method.
2. From the following information prepare sales ledger adjustment account in the general ledger.

On 01.04.2010: Balance in sales Ledger	(Dr) 1,41,880
	(Cr) 2,240

On 31.03.2011

Total sales	7,68,000
Cash sales	40,000
Sales return	10,000
Cash received from customers	6,24,000
Discount	11,200
Cash paid to supplier	4,80,000
Transfer from sales to bought ledger	20,800
Discount Received	7,200
Bill received	40,000
Reserve for doubtful debts	9,160
Cash paid to customer	1,840
Bills received dishonored	6,000
Sales ledger balance (Dr)	1,83,200
Sales ledger balance (Cr)	13,720

3. From the following balances extracted from the books of a trader, prepare Trial Balance as on 31st March, 2006. Rs Cash in hand 4200, Cash at Bank 16800, Bills Receivable 18,000, Bills payable 16,000 Sundry debtors 24,600, Sundry Creditors 32,400, Capital 50,000. Drawings 18,000, Sales 105000. Purchases 75,000, Carriage Inward 2,700, Salaries 12,000, Advertisement 2,400, Insurance 1600, Furniture 7,500, Stock 18,600 and Office Rent 2,000.
4. A keeps his books by single entry system. His position on 1st Jan 2011 was as follows

Cash at bank-Rs 5000	Machinery and plant - Rs.6500
Cash in hand-Rs.1000	Bills receivable - Rs.2600
Stock-Rs.7000	Creditors Rs.2500
Sundry debtors-Rs.8400	Bills payable - Rs.4000

On 31st Dec 2011 his position was as under

Cash at bank-Rs.4300	Machinery and plant - Rs.6500
Cash in hand - Rs.1700	Bills receivable - Rs.3200
Stock - Rs.9000	Creditors-Rs.1600
Sundry debtors-Rs.6000	Bills payable-Rs.3200

During the year a introduced further capital of Rs 2000. and his drawings were Rs. 800 per month. Depreciate machinery and plant by 5% and create a reserve for bad and doubtful debts at 5% from the above information prepare a statement showing the profit and loss made by him for the year ended 31st Dec 2011

5. From the following data, ascertain total sales.

Balances of debtors on 1-1-2011 Rs. 24000

Sales return 10000

Cash received from the customers 90000

Discount allowed to them 6000

B/R received 34000

Bad debts 3000

B/R dishonored 7000

Balance of debtors on 31-12-2011 20000

Cash sales 50000

(4 × 6 = 24 Marks)

IV. Answer **any three** of the following.

1. From the following balances prepare Trading and profit and loss account and balance sheet.

	Rs.		Rs.
Land	1,00,000	Sales	3,00,000
Building	2,00,000	Purchases	1,75,000
Sales returns	10,000	Stock (1.1.2014)	25,000
Purchase returns	5,000	Debtors	50,000
Bank overdraft	15,000	Cash in hand	5,000
Creditors	20,000	Salaries	10,000
Wages	12,000	Goodwill	15,000
General expenses	5,000	Selling expenses	12,000
Capital	2,81,000	Insurance	1000
Bad debts	1,000		

Adjustments

- Closing stock 30000
- Depreciation on 10% on building
- Write off further bad debts Rs. 1000
- Salaries yet to be paid Rs.3000

2. What is meant by a 'Statement of Affairs'? How can the Profit or Loss of trader be ascertained with the help of a Statement of Affairs?
3. From the following information supplied by Excel Enterprises of Ganesh, prepare the accounts receivable account and find out the missing figure, if any.

Opening balance of Accounts Receivable as on 1 April 2002 1,00,000

Bills Receivable dishonored during the year 10,000

Cheque dishonored (Bank) 5,000

Cash received from Accounts Receivable 25,000

Cheque received and deposited 10,000 in the bank

Discount Allowed 4,500

Bad debts 2,500

Sales Returns 6,000

Closing balance of Accounts 10,000 receivable as on 31 March 2002

4. The following are the receipts and payments accounts of Shivas club for the year ended 31.12.2006

Receipts	Amount	Payments	Amount
Cash in hand	100	Ground man's fee	750
Balance at bank as per pass book:		Moving machine	1500
Deposit account	2230	Rent of ground	250
Current account	600	Cost of teas	250
Bank interest	30	Fares	400
Donations and subscriptions	2600	Printing and office expenses	280
		Repairs to equipment	500

Receipts	Amount	Payments	Amount
Receipts from teas	300	Honoraria to secretary and treasurer 2011	400
Contributions to fares	100		
Sale of equipment	80	Balance at bank as per pass book:	
Net proceeds of variety			
Entertainment	780	Deposit account	3090
Donations for forth coming tournament	1000	Current account	150
		Cash in hand	250
	<u>7820</u>		<u>7820</u>

You have given the following additional information

	01.01.2012	31.12.2012
Subscription due	150	100
Amount due for printing etc	100	80
Cheques unrepresented being payment of repairs	300	260
Estimated value of machinery and equipment	800	1750
Interest not yet entered in the pass book	-	20
Bonus to groundman	-	300

For the year ended 31.12.2012, the honoraria to the secretary and treasurer are to be increased by a total of Rs. 200.

Prepare income and expenditure statement for 2012 and balance sheet

(3 × 10 = 30 Marks)