

Reg. No. :

Name :

**Third Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
October 2024**

Paper II : FINANCIAL ACCOUNTING

(2013 – 2019 Admission)

Time : 3 Hours

Max. Marks : 80

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

1. State the meaning of accounting standard.
2. Explain the duality principle of accounting.
3. What are the ledgers kept under self-balancing system?
4. What is statement of affairs?
5. Explain the accounting treatment of 'Legacy' and 'Donations' in a non-profit organisation.
6. What is del credere commission?
7. Differentiate between consignment and sales.

(5 × 2 = 10 Marks)

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

1. What are the objectives of accounting standard?
2. What are the limitations of single entry system?
3. Differentiate between Receipts and Payments account and Income and Expenditure account.
4. State the advantages of self balancing ledgers.
5. Explain, in brief, how you will calculate the value of unsold stock at the end, if normal and abnormal loss occur simultaneously in consignment account.

(4 × 4 = 16 Marks)

P.T.O.

III. Answer any four of the following.

1. Differentiate between self balancing and sectional balancing.
2. Mr. Kiran keeps his books under single entry system. On 1.4.2022, his capital stood at Rs.1,65,000/- and on 31.3.2022, his capital was Rs.2,08,000/-. During the year he made a drawings of Rs.10,000/- and introduced an additional capital of Rs.20,000/-.

During the year, there is an appreciation to building Rs. 14000/-. He suffered a bad debt of Rs. 1,000/- and created a provision for doubtful debt Rs. 1,450/- during the year. Calculate the Gross profit and Net profit of Mr. Kiran.

3. Miscellaneous expenses paid by City sports club during the accounting year 2021-22 amounted to Rs.10,000/-, which includes the following items. Ascertain the amount of expenses which will be debited to income and expenditure account for the year ended 31.03.2022.

	Rs.
Prepaid expense for the year 2020-21	1,300
Outstanding expenses of 2020-21	1,500
Outstanding expenses for the year 2021-22	1,200
Prepaid expenses on 31.3.2022	1,700

4. XL company consigned 12000 sarees to Fashion shop @ Rs.240 per saree. XL company paid Rs. 6,000 for freight. Fashion shop sold 10000 sarees @ Rs.250 and incurred Rs. 2,000 towards selling expense and entitled to a commission of 5% on total sales plus a further commission of 20% on any surplus price realized over Rs.240 per saree.

The consignee remitted Rs.10,00,000/- to XL company. Prepare the consignment account and account of consignee.

5. From the following particulars of a sports club, prepare income and expenditure account for the year ending 31st December 2021.

	Rs.
Subscription collected (includes Rs.1,500 for 2020 and Rs.3,500 for 2022)	- 25,000
Subscription due, but not received in 2021	- 4,000
Donation received	- 1,500
Entrance fee (30% to be capitalized)	- 3,000
Salary paid (including Rs.400 for 2020)	- 5,000
Salary outstanding for 2021	- 500
Purchase of sports equipments	- 4,000
Sale of old news paper	- 400
Entertainment expenses	- 400
Tournament Expense	- 1,000
Rent paid	- 1,200
Printing and stationery	- 1,400

(4 × 6 = 24 Marks)

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

1. Explain the advantages and disadvantages of self balancing and sectional balancing ledgers.
2. Anju consigned to Vivek goods which were invoiced at 125% of the cost (cost of goods Rs.1,00,000/-). Commission payable to consignee is 10% on sales and 25% of any excess realized over invoice price. Anju paid Rs. 10,000/- for freight and insurance. Cosignee sold 75% of goods for Rs.1,00,000/-. His selling expenses were re-imbursed Rs.8,000.
10% of the consignment goods of the value Rs.12,500/- were destroyed by fire at the godown of consignee and the insurance company paid Rs. 12,000/- net of salvage value. Vivek remitted the balance in favour of Anju. Prepare consignment account, account of Vivek along with necessary workings.
3. The following information is related to Aswin who keeps his books under single entry system as on 1.4.2021.

	Rs.
Cash	2,400
Debtors	9,500
Stock	13,500
Creditors	8,000
Furniture	5,000

His transactions during the year:

	Rs.
Cash sales	50,000
Receipt from debtors	44,000
Interest received	1,500
Payment to creditors	38,000
Cash purchases	30,000
Wages paid	3,200
Salaries paid	4,500
Audit fee	2,400
On 31 st March 2022, the trader has Debtors	14,300
Stock	25,000
Creditors	10,000
Outstanding salary	200

Provide depreciation @ 10% on furniture

Prepare Trading and Profit and Loss account for the year ended 31.03.2022 and a Balance sheet as on that date.

4. From the following trial balance, prepare trading and profit and loss account and balance sheet for the year ended 31st March 2022.

	Dr. Rs.	Cr. Rs.
Drawings	1,700	
Plant	14,600	
Debtors	3,600	
Purchase	2,000	
Wages	800	
Bank	2,600	
Creditors		2,000
Sales		4,200
Interest		1,350
Commission		1,600
Capital		20,000
Salaries	800	
Repairs	190	
Stock	1,600	
Rent	450	
Miscellaneous expenses	150	
Bad debts	500	
Carriage inwards	160	
	29,150	29,150

Adjustments:

- (a) Closing stock Rs. 1,600
- (b) Depreciate plant by 10%
- (c) Allow interest on capital @5% p.a
- (d) Rs.150 is due for wages
- (e) Paid rent in advance Rs. 150.

(3 × 10 = 30 Marks)