

Reg. No. :

Name :

**Third Semester B.Com. LL.B. (FIVE YEAR INTEGRATED) Degree
Examination, October 2023**

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. Define accounting.
2. What is trial balance?
3. Define Accounting standards.
4. What are consignment accounts?
5. What do you mean by Accounts from incomplete records?
6. Define net profit.
7. What are outstanding expenses?

(5 × 2 = 10 Marks)

II. Answer any **four** of the following. **Each** question carries **4** marks. Answer should not exceed **120** words.

1. What is money measurement concept?
2. What are contra entries?

P.T.O.

3. What do you mean by 'Total creditors Accounts'.
4. What is Del Credere Commission?
5. Explain about nonprofit organizations.

(4 × 4 = 16 Marks)

III. Answer any **four** of the following. **Each** question carries **6** marks.

1. Explain about International Accounting Standard.
2. What are the advantages of Self balancing ledgers?
3. What are the features of accounts of non-profit organizations?
4. From the following particulars, arrive at the amount of salary to be debited to the Income and Expenditure Account for the year ending 31st March 2022.

	Rs
Salary paid during the year	1800
Salary unpaid on 31 st March 2022	550
Salary unpaid on 1 st April 2021	740
Salary prepaid on 1 st April 2021	430
Salary prepaid on 31 st March 2022	570

5. Sri. Sharma commenced business on 1st January 2021 with a capital of Rs.25000; Rs.20,000 brought in cash and the balance in the form of machinery. On 1st October, 2021, he introduced Rs. 10,000 into the business of which Rs.6000 was borrowed from his wife. During the year, he withdrew at the rate of Rs.500 a month. His position on 31st December 2021 was as follows:

ASSETS

Stock of goods Rs. 12500; Sundry debtors Rs.10,500; Machinery Rs.6000; Cash at bank Rs.3000; Cash in hand Rs.500; Bills receivable Rs.3800 and furniture Rs. 10,000.

LIABILITIES

Sundry creditors Rs.8500; Loan from wife Rs.6000; Bills Payable Rs.1500. Ascertain his profit for the year ending 31st December 2021.

(4 × 6 = 24 Marks)

IV. Answer any **three** of the following. **Each** question carries **10** marks.

1. Explain the difference between single entry and double entry system of accounting.
2. The Kochi Consignment Account in the books of Remi of Kottayam showed a debit balance of Rs.1500 representing the cost of 10 pieces of fancy goods on 1st April 2014. The invoice value of each piece was Rs 175. On 1st May, 2014 Rajaji sent a further consignment to cochin of 40 pieces, costing Rs. 160 each, invoiced proforma at Rs.180 each. The freight and other charges amounted to Rs. 210. On 21st March, 2015, the Kochi Agent sent an Account Sales showing that 8 pieces from the old stock realized Rs 140 each and 25 pieces from the second consignment realized Rs.200 each and 15 pieces remained in stock unsold. Two pieces from the old stock, being unsaleable at Kochi, were returned to Mumbai, for which the Kochi Agent sent a separate debit note for Rs.30, being expenses incurred by him as packing and freight.

The Kochi agent is entitled to a selling commission of 10 percent which covers all expenses in respect of the consignment. Show the necessary accounts in the books of the consignor.

3. XY Ltd prepared the following Trial Balance

	Dr	Cr
Drawings and Capital	10,000	1,10,000
Opening Stock (01.01.21)	12000	
Purchases and Sales	60,000	1,40,000
Returns	2000	3000
Wages	10,000	
Salaries	30,000	
Carriage inward and outward (equal)	10,000	
Discount	1000	4000
Commission	4000	3000
Interest	7000	2000
Debtors and Creditors	52000	18000
Bad debts	3000	
Cash and Bank overdraft	6000	10,000
Machinery	83000	
	<u>2,90,000</u>	<u>2,90,00</u>

- (a) Value of unsold stock on 31st December, 2021 Rs.15000
- (b) Provide depreciation @ 10% on machinery
- (c) Sundry debtors include Rs.2000 as bad debts
- (d) Provision for doubtful debts is to be made @ 5% on debtors

Prepare Trading Account and Profit and Loss Account for the year ending 31st December 2021 and the balance sheet on that date

4. The following is the Receipts and Payments Accounts of White Star Football Association for the first year ending 31st December 2021.

Receipts	Rs
Donations	50,000
Life member fees and entrance fees	4000
Receipts from football matches	8000
Subscriptions	5200
Locker rents	50
Interest on securities	240
Sundries	350
	67,840
Payments	
Pavilion offices (constructed)	40,000
Expenses in connection with matches	900
Furniture	2100
Investments	16000
Salaries	1800
Wages	600
Insurance	350
Telephone	250
Electricity	110
Sundry expenses	210
Balance on hand	5520
	67,840

- (a) Subscriptions outstanding for 2021 are Rs.250
- (b) Salaries unpaid for are Rs.170
- (c) Wages unpaid for 2004 are Rs.90
- (d) Outstanding bills for sundry expenses are Rs.40
- (e) Donations received as well as a life-member fee and entrance fees have to be capitalized.

Prepare income and Expenditure account and Balance Sheet.

(3 × 10 = 30 Marks)