

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2018**Third Semester**

Core Course VIII—FINANCIAL ACCOUNTING

(Common for Model I, Model II and U.G.C. Sponsored B.Com. Degree Programmes)

[2013—2016 Admissions]

Time : Three Hours

Maximum Marks : 80

Section A*Answer all questions.**Each question carries 1 mark.*

1. What is Prudence principle ?
2. What are Accounting Standards ?
3. What is Double Entry System ?
4. What is Minimum Rent ?
5. What is Bad debts recovered ?
6. What is Branch Profit and Loss Account ?
7. Who is a consignor ?
8. Give two examples of Revenue expenditure.
9. What is Matching principle ?
10. What is Separate Entity Concept ?

(10 × 1 = 10)

Section B*Answer any eight questions.**Each question carries 2 marks.*

11. Give rectifying entries :
 - (a) Rent paid charged to Donald's account Rs. 1,200.
 - (b) Rs. 500 given as discount has been debited to customer's account.
12. What are the types of errors ?
13. What is Capital receipt ? Give two examples.
14. Give adjusting entries for :
 - (a) Rent prepaid of Rs. 250.
 - (b) Goods given as free samples Rs. 250.
15. What are Adjusting Entries ?

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16. What is the entry to be passed in the books of consignor when goods are sent for consignee at a loaded price? How to nullify the effect of loading in consignment account?
17. What is Over-riding Commission?
18. State two advantages of adopting Conversion method in single entry system?
19. Pass entries in the books of lessor when royalties exceed the minimum rent and short workings are recouped.
20. Give two features of Stock and Debtors system.
21. What is Recouping of Short Working?
22. What is Grouping and Marshalling?

(8 × 2 = 16)

Section C

Answer any six questions.
Each question carries 4 marks.

23. Prepare Trading, Profit and Loss Account from the following for the year ended 31.12.2015
Opening stock - 48,000; Purchases - 92,000; Purchase returns - 4,000; Wages - 9,000; Salaries - 16,000; Sales - 1,00,000; Carriage outward - 3,000; Electricity - 1,500; Royalty paid - 1,100; Bad Debts - 250; Commission received - 1,200; Closing stock -25,000; Apprentice Premium (Cr.) - 2,500.
24. Mr. Hawk consigned body spray worth Rs. 15,000 to Mr. Goenka. Carriage charges were Rs. 250 and insurance Rs. 100. 80% of goods were sold for Rs. 11,000. Ram incurred Rs. 300 as rent and Rs. 500 was his commission. Write journal entries in the books of consignor.
25. Explain calculation of profit under single entry system.
26. On 1.01.2015, Head Office of Pathanamthitta invoiced to Trivandrum branch goods costing Rs. 1,50,000 and charged at selling price to produce a gross profit of 30% on selling price. At the end of the month the branch showed the sales was Rs. 1,75,000. The goods invoiced at Rs. 3,000 were returned by the Trivandrum branch. The closing stock at the branch was 20,100 at selling price. Post these transactions in the Branch Stock account, Branch Adjustment account, Branch Profit and Loss Account.
27. Prepare Branch account from the following particulars :

Particulars	2012		2013	
	Rs.		Rs.	
Goods sent to branch	...	55,000	...	1,50,000
Cash sent to branch :				
(a) Rent	...	8,000	...	8,000
(b) Salaries and wages	...	5,200	...	5,900
(c) Sundry expenses	...	1,500	...	4,110
(d) Electricity	...	250	...	500
Cash from branch	...	76,200	...	1,65,000
Stock on closing date	...	8,400	...	21,000
Cash on closing date	...	1,100	...	900

28. State the purpose of preparing Statement of Affairs?
29. Show the effect in the concerned accounts including the final accounts and balance sheet when :
 - (a) Goods worth Rs. 500 are given as samples.
 - (b) Provision for Discount on creditors is created.
30. Write a short note on Branch Adjustment account. Also show the format of the account.
31. Explain Normal and Abnormal Loss in consignment accounts. (6 × 4 = 24)

Section D

Answer any two questions.
Each question carries 15 marks.

32. The following are the details of Trial Balance of Mr. Singham for the year 2016 :-

Particulars	Amount		Particulars	Amount	
	Rs.			Rs.	
Patents	...	16,500	Capital	...	1,50,000
Cash	...	6,000	Provision for bad debts	...	10,500
Stock (1.1.2016)	...	66,000	Creditors	...	75,000
Purchases	...	2,55,000	Sales	...	4,20,000
Marketable Securities	...	15,000			
Furniture	...	45,000			
Bad debts	...	9,000			
Stationery	...	9,000			
Management expenses	...	10,500			
Office Salaries	...	45,000			
Carriage inwards	...	7,000			
Carriage outwards	...	8,000			
Electricity	...	28,500			
Debtors	...	1,35,000			
		<u>6,55,500</u>			<u>6,55,500</u>

Adjustments :

- (a) Closing Stock - Rs. 70,500.
- (b) Depreciate Furniture 10%.
- (c) Provision for bad debts - Rs. 3,500.
- (d) Goods worth Rs. 3,500 lost and no claims were accepted.
- (e) Manager's Commission is 10% on net profit.
- (f) Opening stock is overcast by 10%.

Prepare the final accounts for the year ended 31st December 2016.

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