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I Semester B.Com./B.C.L.S/B.C.T.T Degree Examination, August - 2021

COMMERCE

Financial Accounting

(CBCS New Scheme 2019-20 Onwards Regular)

Paper - 1.3

Time : 3 Hours

Maximum Marks : 70

**Instructions to Candidates :**

*Answer should be written in English*

**SECTION - A**

Answer any **five** sub questions from the following. Each sub question carries **two** marks.  
(5×2=10)

1. a) Mention any two conventions of Accounting.
- b) What is a Domestic Branch?
- c) What is Repossession?
- d) Sales Rs. 2,00,000/- G.P Rate 25% on cost calculate cost of Goods sold.
- e) Mention any two advantages of single entry system.
- f) Mention any two differences between Hire purchase system and Normal sales.
- g) Mention any four users of Accounting.

**SECTION - B**

Answer any **three** sub questions. Each sub question carries **5** marks. (3×5=15)

2. On what basis the following items are divided in departmental accounts.
  - a) Carriage Inwards.
  - b) Free samples.
  - c) Discount Received
  - d) Wages
  - e) Electricity expenses.

[P.T.O.]



3. Prepare an Accounting equation from the following transactions:

- Commenced Business with cash Rs. 60,000/-
- Purchased office equipment for cash Rs. 10,000/-
- Purchased goods on credit from Sathya Rs. 40,000/-
- Sold goods on credit to Ajay Rs. 18,000/-
- Paid expenses Rs. 10,000/-.

4. Calculate the opening stock:

Purchases	13,000/-
Sales	22,000/-
Closing stock	1,500/-
Wages	250/-
GP on cost	113
Returns I/W	2,000
Returns O/W	500

5. A vehicle has a cash price of Rs. 16,200 and is payable in 3 annual installments of Rs. 6000 Each. Find out interest and cash price component in each installment.

### SECTION - C

Answer any three questions. Each question carries 15 marks.

(3×15=45)

6. A purchased an equipment from B on 1/4/16 whose cash price was Rs. 8,60,000/-. Rs. 1,40,000 was payable as down payment and the balance towards cash price was payable in three equal annual installments along with an interest of 10% P.A. on the outstanding balance of cash price.

A charges depreciation @ 10% P.A. on the equipment under reducing balance method.

Prepare necessary ledger Accounts in the books of hire purchaser.

7. From the following particulars prepare Departmental Trading & Profit & Loss Account for the year ended 31/3/2020.

	M	N
Stock on 1/4/2019	34,800	29,400
Purchases	70,000	60,000
Sales	2,40,000	1,60,000
Direct exp.	16,400	5,400





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Rent	18,780
Salaries	6,000
Other Expenses	7,200
Lighting	4,200
Discount Allowed	4,440
Discount Received	1,300
Advertising & Publicity	7,360
Carriage Inwards	4,680

**Other informations:**

1. Stock on 31/3/20 : Dept M -33,480  
Dept N - 24,100
  2. Transfer of goods from Dept M to Dept N at cost price was Rs. 840
  3. Rent , other expenses, lighting, salaries & carriage Inwards to be divided in the ratio of 2:1 between M & N.
  4. Discount Allowed & Received tube divided on the basis of sales & purchases respectively.
  5. Advertising & Publicity to be divided equally.
  6. Total depreciation Rs. 4,800 to be divided in the ratio of 3:2 between M&N.
8. From the incomplete information extracted from the books of Mr. Q. prepare a trading and Profit & Loss account for the year ended 31/3/20 and a balance sheet as on that date.

Assets & Liabilities	1-4-19	31-3-20
Stock	19,600	26,400
Equipment	4,000	4,000
Debtors	36,000	50,000
Creditors	12,000	9,000
Bank	10,000	?

**Other Transactions:**

Collections from Debtors	1,21,600
Payment to creditors	88,000
Staff Expenses	24,000
Rent, Rates & taxes	3,000
Establishment Expenses	3600
Drawings	6,000
Fresh Capital	4,000
Cash, sales	3,000
Cash purchases	12,000
Discount received	1,000
Discount Allowed	500
Bad Debts	1,000
Returns Inwards	400
Depreciation on equipment @ 15% P.A.	

[P.T.O.]



9. A business having its Head office at Dharwad, has a branch at Hubli, Goods are supplied by the head office Cost and the branch is required to sell them and remit cash daily. All the expenses are paid by the Head office except the petty cash expenses which are paid by the branch. Manager prepare Hubli Branch account in the books of the Head office.

	Rs.
Branch Stock on 1/4/19.	7,500
Branch Debtors on 1/4/19	4,500
Branch Petty Cash on 1/4/19	400
Branch Furniture on 1/4/19	2,500
Goods sent to Branch	40,000
Goods Returned by the Branch	5,000
Goods Returned by the customers of the Branch	
To Branch	200
Cash received from the branch debtors.	16,000
Cash sales at branch	2,000
Credit sales	16,000
Rebate allowed to debtors	200
Cheque sent to branch for expenses:	
Rent	1000
Salary	800
Stationery	100
Petty expenses paid by branch manager	Rs. 200/-
Branch stock on 31/3/2020	8000/-
Depn. on Branch furniture @	5% P.A.