

ST. ALOYSIUS COLLEGE, EDATHUA, ALAPPUZHA
-B.COM. DEGREE (CBCS) MODEL EXAMINATION 2021
FINANCIAL ACCOUNTING-I

Maximum Marks : 80

Time : Three Hours •

PART A

*Answer any ten questions.
Each question carries 2 marks.*

1. What is Deferred revenue expenditure?
2. From the following information ascertain cost of goods sold:

Opening stock	-	30,000
Purchases	-	70,000
Direct expenses	-	8,000
Sales	-	1,60,000
Closing stock	-	24,000
3. What is book keeping?
4. From the following information ascertain the amount of profit or loss earned by XY during 2018:

Capital 01-01-2018	-	1,40,000
Capital 31-12-2018	-	2,40,000
Drawings during 2018	-	60,000
Additional capital during 2018	-	80,000
5. Define Accounting Standards.
6. What is Ground Rent?
7. What do you mean by recoupment of short workings?
8. What is Statement of affairs?
9. What is Crop account?
10. What are the Features of Farm accountings?
11. What do you mean by an Account sale?
12. What is Delcredere commission?

PART B

*Answer any six questions.
Each question carries 5 marks.*

13. Explain briefly the Valuation of Unsold stock in Consignment account.
14. Explain the objectives of Farm accounting?
15. Write short notes on the following:
 - a) Minimum rent
 - b) Royalties receivable
 - c) Short workings
16. What do you mean by adjusting entries? Give adjusting entries for:
 - a) Bad debt.
 - b) Provision for discount on debtors.
 - c) Interest on drawings.

17. Ascertain credit sales by preparing Total debtors account:

Opening debtors	- 16,200
Cash and cheques received from debtors	- 84,000
Bills receivable received from debtors	- 32,000
Goods returned by debtors	- 4,500
Bad debts written off	- 3,000
Discount allowed to customers	- 6,000
Closing debtors	- 22,000

18. On first January 2016, A Ltd. took on lease a coal field from B Ltd. on a royalty of Rs. 10 per tonne of coal raised with a minimum rent of Rs. 10,000 per annum. The following were the results of working of A Ltd., for the first three years.

Year:	2016	2017	2018
Production in tonnes:	600	900	1000

Give journal entries and ledger accounts in the books of A Ltd. assuming that there is no provision to recover short working during subsequent years.

19. X consigned 1000 kgs of coconut oil to Y of Kanpur at Rs. 45 per kg. He spent Rs. 2,000 for packing and carriage.

Y sold 700 kgs @ Rs. 60 and reported a loss of 20 kg by leakage, weighing handling etc. the expenses of Y amounted to Rs. 2,000 for octroi and Rs. 400 for sales expenses. He is to get a commission of 4.5% on sales.

Prepare Consignment account and also show the calculation of closing stock.

20. On 1st January 2018, provision for discount on debtors was Rs. 1,600. Discount allowed during 2018 was Rs. 900. Debtors on 31st December 2018, was Rs. 30,000. Provision required on 31st December 2018, is 5%.

Give journal entries and ledger accounts and also show how the items would appear in the profit and loss account and balance sheet.

21. On 1st January 2014 Trivandrum Granite Exports Ltd. took on lease a quarry from Rajesh, Ayoor on a royalty of Rs. 10 per ton of green granite extracted. The dead rent is Rs. 40,000 per annum with right to recover short workings with in the first four hours of the lease. The working was as follows.

Year:	2014	2015	2016	2017	2018
Annual production in tonnes:	2800	3600	4100	5300	5600

Give journal entries in the books of Trivandrum Granite Exports Ltd.

PART C

Answer any two questions.

Each question carries 15 marks.

22. Define Financial accounting, explain its advantages and disadvantages?

23. The following is the trial balance of a trader as on 31st December 2018.

	Dr. (Rs.)	Cr. (Rs.)
Sales		1,20,000
Purchases	85,000	
Import duty	5,000	
Factory expenses	3,000	
Office expenses	6,000	

Sundry debtors	30,000	
Commission		1,500
Bad debts	2,500	
Sundry creditors		28,500
10% investments	20,000	
Interest on investments		1,500
Opening stock	15,000	
General expenses	3,000	
Cash in hand	2,000	
Machinery	40,000	
Capital		60,000
Total	2,11,500	2,11,500

Adjustments

- Closing stock is valued at Rs. 21,500.
- Provide 5% of debtors for bad debts.
- Interest on investments for 3 months is outstanding.
- Commission received in advance amounts to Rs. 300.

Prepare trading and profit and loss account and also a balance sheet as on 31st December 2018.

24. On 1st January 2018 Mr. Ramamoorthy started business with Rs. 40,000. On the same day he purchased furniture for Rs. 5,000. The following were his transaction for the year 2018.

	Rs.
Total purchase (cash purchase Rs. 45,000)	90,000
Total sales (cash sales Rs. 72,000)	1,25,000
Wages paid	5,200
Rent paid	3,600
Business expenses	2,800
Personal drawings	3,000

On 31st December 2018 stock of goods was valued at Rs. 12,600. Sundry debtors were Rs. 10,500 and sundry creditors were Rs. 8,000. Wages are outstanding Rs. 800. Depreciation on furniture @ 10% is required.

Prepare Final Accounts.

25. From the information given below, prepare Wheat Crop account and Potato Crop account for the year ended 31st December 2018.

	Wheat (Rs.)	Potato (Rs.)
Opening stock	6,000	1,500
Purchase of seeds	1,500	1,000
Purchase of manures	18,000	12,000
Wages paid in cash	22,000	16,000
Sales	52,000	38,000
General expenses	2,500	1,500
Expenses on farm machinery	1,200	1,800
Closing stock	4,500	2,000
Used in the family	3,200	1,200
Wheat given to workers engaged in	Wheat crop – 1,800	Potato crop – 1,200.