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Total No. of Pages : 05

Total No. of Questions : 09

B.Com (Hons) (2018 Batch) (Sem.-1)

FINANCIAL ACCOUNTING

Subject Code : BCOM-102-18

Paper ID : [75091]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTIONS-B** consists of **FOUR** Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains **TWO** questions each, carrying **TEN** marks each.
4. Student has to attempt any **ONE** question from each Sub-section.

SECTION-A**Q1 Answer briefly :**

- a) Distinguish between accounting and book keeping.
- b) Explain the accounting treatment in the final accounts of unearned incomes.
- c) Distinguish between partnership and joint venture.
- d) What is minimum rent?
- e) Discuss the different types of branches.
- f) Explain the stock and debtor system of branch accounting.
- g) Explain the accrual concept of accounting.
- h) What are the different sources of Voyage incomes?
- i) Explain the impact of Cash sales Rs. 10,000 on accounting equations.
- j) Explain whether following are revenue items or capital items :

Preliminary expenses.

Legal expenses for acquisition of land.

SECTION-B

UNIT-I

- Q2 Mr. Grewal is running three stars Hotel. Following Trial Balance is related to the year ended 31st December 2016 You are required to prepare Trading and Profit and Loss Account for the year and Balance Sheet as on that date.

	Dr. Balance (Rs.)	Cr. Balance (Rs.)
Capital Employed in Hotel		27,000
Drawings by proprietor	4,260	
Hotel Furniture	5,700	
Stock on January 1, 2016	8,760	
Purchases and Sales Revenue	65,172	71,436
Sales Returns	1,260	
Purchase Returns		1,746
Waiters and staff Salaries	2,640	
Rent of Hotel Building	720	
Carriage	1,500	
Rates and Taxes	1,200	
Apprentice Premium received from Trainee students		750
Bank charges	1,032	
Bank Overdraft		1,200
Sundry Debtors	19,200	
Cash in hand	288	
Sundry Creditors	6,000	
Bills Receivable	1,440	
Bills Payable		1,080
Discount Received from vendors		960

You are required to consider the following adjustments :

- a) Stock on December 31, 2016, was valued at Rs. 10,200.
- b) Depreciate Furniture at 10% per annum.
- c) Outstanding Salaries Rs. 2800
- d) Prepaid Rates and Taxes Rs. 240
- e) Interest on drawing and capital to be provided @ a rate of 10 %
- f) Provide for doubtful debts at 5% on Sundry Debtors.

Q3 Prepare three columns Cash Book of M/s Info India from the following transactions for the month of August 2017 :

- August 1 Cash in hand Rs.18,000
 Cash at Bank Rs.27,500
- August 3 Cash Sales 10,000
- August 5 Furniture purchased by cheque Rs 8,700
- August 8 Paid by cheque to Sonu Rs 13,500
- August 12 Received Cheque from Ashima and deposited into Bank Rs 13,000
- August 15 Cash Sales Rs 7,000
- August 18 Deposited into Bank Rs 8,000
- August 20 Withdrawn from Bank for personal use Rs 7,000
- August 22 Cheque received from Naveen Rs 7,000
- August 24 Rent paid Rs 5,000
- August 26 Naveen Cheque deposited into Bank
- August 28 Withdrawn from Bank for office use Rs 5,000
- August 29 Salary paid Rs 3,000
- August 31 Cash paid for Electric Bill Rs 500
- August 31 Cash paid for Telephone bill Rs 1,000.

UNIT-II

- Q4 What is meant by consignment? How it differs from the joint venture? Discuss the accounting treatment of consignment in the books of consignor and consignee.
- Q5 From the below-given information's, please open prepare the necessary accounts in the books of M/s Black Diamond Limited.

The company leased a colliery on 01-01-2010 at a minimum rent of Rs. 75,000.

Royalty Rate@ Rs. 1/- per ton.

The right of recouping of short workings is restricted to first 3 years. Output for the first four years of the lease was 40,000, 65,000, 1,05,000, and 90,000 tons respectively.

UNIT-III

- Q6 What do you mean by voyage accounting? What are the various ways of expenses of a vessel? Discuss the accounting treatment of Voyage in progress.
- Q7 Please prepare a Departmental Trading and Profit and Loss Account & General Profit and Loss Account for the year ended 31-12-2014 of M/s Andhra & Company where department A sells goods to department B on the formal selling price.

Particulars	Dept. A	Dept. B
Opening stock	175,000	-
Purchases	4,025,000	350,000
Inter Transfer of Goods	-	1,225,000
Wages	175,000	280,000
Electricity Expenses	17,500	245,000
Closing Stock (at cost)	875,000	315,000
Sales	4,025,000	2,625,000
Office Expenses	35,000	28,000
Combined Expenses for both Department		
Salaries (2:1 Ratio)	472,500	
Printing and Stationery Expenses (3:1 Ratio)	157,500	
Advertisement Expenses (Sale Ratio)	1,400,000	
Depreciation (1:3 Ratio)	21,000	

UNIT-IV

- Q8. What are the types of the branch? Discuss in detail debtor and stock and debtor system of branch accounting.

- Q9. Unique India Limited has its head office in New Delhi with a branch in Kanpur. Goods are sent to the branch at cost plus mark-up of 25% which is the branch selling price. The following are details of the Kano branch transactions for the year ended 30 June 2018.

	Rs.
Opening stock at a branch selling price	100,000
Goods sent to branch at a selling price	900,000
Goods returned to the head office by branch customers (all at normal selling price)	90,000
Credit sales	600,000
Cash sales	192,000
Authorized allowance off the selling price	8,000
Goods returned to Head office by branch customers at a selling price	40,000
Cheque/ cash received from branch customers	400,000
Cash discount allowed to branch customers	20,000
Branch sundry expenses paid by the head office	50,000
Cash was stolen at the branch	10,000
Goods were stolen at the branch at a selling price	30,000
Closing stock at the branch at a selling price	110,000

You are required to prepare the following accounts in the ledger of the head office to record the transactions of the branch using COST PLUS MARK-UP METHOD :

- Branch stock account.
- Branch stock adjustment account.
- Goods sent to branch account.
- Branch debtors account.