

Roll No.

Total No. of Pages : 05

Total No. of Questions : 18

B.Com (Hons) (2018 & Onwards) (Sem.–1)

FINANCIAL ACCOUNTING

Subject Code : BCOM-102-18

M.Code : 75091

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-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

Write short notes on the following :

- Q1 GAAPs
- Q2 Royalty accounts
- Q3 Realization concept
- Q4 Provision for unrealized profit
- Q5 Revenue and deferred revenue expenditures
- Q6 Incomplete voyage accounting
- Q7 Accounting in the books of consignee
- Q8 Branch accounting systems
- Q9 Apportionment of expenses and incomes in departmental accounts
- Q10 Consolidated Profit and Loss Account

SECTION-B

UNIT-I

- Q11 Define the term 'Accounting Concepts'. Distinguish it from accounting conventions. Also briefly explain fundamental accounting concepts which form the backbone of accounting?

Q12 Md. Amir was the sole proprietor of a garage. He owned the buildings and charged the business a rent of Rs. 1,000 p.a. The trial balance on 31st Dec., 200X was :

	Rs.		Rs.
Purchases :		Sales :	
Cars-new and second hand	1,05,000	Cars-New and second hand	1,00,110
Petrol	30,000	Petrol	34,150
Materials including tyres, accessories, etc.	1,11,270	Tyres, accessories, etc.	12,520
Stock of petrol-1-1-200X	11,270	Repairs	41,070
Stock of Materials-1-1-200X (tyres, accessories, etc.)	1,000	Capital account	52,660
Cost of motor show room	13,880		
Furniture	4,000		
Plant	3,00,000		
Wages :			
Mechanics	21,630		
Petrol pump attendants	1,940		
Office	4,190		
Rates and insurance	2,530		
Rent to 29 th Sep. 200X	750		
Office expenses	9,200		
Balance at bank	1,100		
Cash in hand Total	20		
Total	<u>2,40,510</u>		<u>2,40,510</u>

You are given the following Information :

- a) Rates Rs. 1,400 p.a. were paid for next three months in advance for the next year.
- b) Depreciation is to be charged at 15% p.a. on plant and 5% p.a. on furniture.
- c) Stocks on 31st Dec., 1,965 were :
Cars Rs. 1,56,00, petrol Rs. 850; materials (including tyres, accessories, etc.) Rs. 3,200.
- d) Materials used on repair jobs cost Rs. 2,500.
- e) Petrol used on demonstration runs costs Rs. 450.
- f) Mechanic's time on reconditioning second hand cars costs Rs. 1,500.
- g) The manager is entitled to 10% commission on profits after charging such commission.

You are required to prepare trading and profit and loss account for the year ended 31st Dec., 200X and the balance sheet as on that date.

UNIT-II

Q13 Explain and illustrate the following terms used in connection with the royalties accounts :

- a) Dead Rent
- b) Right to recoupment
- c) Redeemable dead rent

Q14 Lead and follow agreed to enter into a joint venture the purchase and sale of second hand motor cars and to share the profits in the ratio 3:2

On 1st December, 20×1, Lead bought eight cars for Rs. 73,600 and on December 5 he paid tax and insurance amounting to Rs. 2,560. On December 31, he sold these cars for Rs. 99,200 of which he remitted Rs. 16,500 to Follow, paying the balance to his own bank account.

On 20th December 20×1, Follow bought five cars for Rs. 62,000 and on December 25, he paid tax and insurance amounting to Rs. 2,600 and repairs amounting to Rs. 3,900. He sold three cars on January 2, 20×2 for Rs. 51,000 which he paid into his own bank account. It was agreed that Lead should take over the other cars at valuation of Rs. 28,000 and the venture was closed 10th January, 20×2.

You are required to prepare a) Memorandum joint venture account, and b) the account of joint venture with follow in the books of Lead.

UNIT-III

Q15 What are usual 'direct' and 'indirect' changes in department accounts? Discuss the principles of allocation of such items at the time of preparation of final accounts.

Q16 X Ltd. has two departments A and B. From the following particulars prepare the consolidated Trading Account and Departmental Trading Accounts for the year ending 31-12-20×5 :

Particulars	A	B
Opening stock (at cost)	20,000	12,000
Purchases	92,000	68,000
Sales	1,40,000	1,12,000
Wages	12,000	8,000
Carriage	2,000	2,000
Closing stock :		
i) Purchased Goods	4,500	6,000
ii) Finished Goods	24,000	14,000
Purchased goods transferred		
By B to A	10,000	
By A to B		8,000
Finished goods transferred		
By A to B	35,000	
By B to A		40,000
Return of finished goods		
By A to B	10,000	
By B to A		7,000

You are informed that purchased goods have been transferred mutually at their respective departmental purchase cost and finished goods at departmental market price and that 20% of the finished stock (closing) at each department represented finished goods received from the other department.

UNIT-IV

- Q17 What are the characteristics of Independent Branches? Discuss the accounting treatment for transactions by head office as well as by branch office. Illustrate.
- Q18 TS Co., Delhi, has a branch at Kolkata. It invoices goods to the branch at selling price which is cost plus 33.33%. From the following particulars prepare a branch account at (i) Cost price and (ii) at invoice price. Show also branch debtors account and goods sent to branch account in the books of TS Co., Delhi.

Stock on 1 st January, 2015 (invoice price)		15,000
Debtors on 1 st January, 2015		11,400
Goods invoiced to the branch during the year at invoice price Sale at Branch:		67,000
Cash	31,000	
Credit	<u>37,400</u>	68,400
Cash received from debtors		40,000
Discount allowed to customers		300
Bad debts written off		250
Cheque sent to branch :		
–Salaries	5,000	
–Sundry Expenses	<u>1,700</u>	6,700
Stock on 31 st December, 2015 (invoice price) Rs 13,400		

NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC against the Student.