



**First Year B.Com. Examination, October/November 2009**  
**(SIM Scheme)**  
**FINANCIAL ACCOUNTING – I**

Date : 2-11-2009

Max. Marks : 80

Time : 2.00 p.m. to 5.00 p.m.

**PART – A**

Answer **any two** questions. **Each** carries **20** marks.

1. The following Trial Balance relates to Asha Traders as on 31-12-2008.

<b>Particulars</b>	<b>Debit</b>	<b>Credit</b>
	<b>Rs.</b>	<b>Rs.</b>
Machineries	80,000	
Furnitures	26,000	
Stock 1-1-2008	1,20,000	
Drawings and Capital A/c	20,000	1,75,000
Purchases and Sales	4,80,000	7,40,000
Returns inwards and outwards	20,000	10,000
Sundry Debtors and Creditors	80,000	51,000
Wages	45,000	
Salaries 11 months	22,000	
Rent 13 months	7,800	
Insurance	2,400	

**P.T.O.**



Advertising	12,000	
Carriage Inwards	12,000	
Carriage Outwards	10,000	
Bank Overdraft		30,000
Investment	40,000	
Interest on overdraft	3,600	
Interest on Investments		6,000
Discount allowed and received	13,000	8,000
Commission on sales	12,200	
General Expenses	7,300	
Bad debts	1,700	
Cash in hand	5,000	
	<b>10,20,000</b>	<b>10,20,000</b>

### Adjustments :

- 1) Stock on 31-12-2008 valued @ Rs. 1,35,000.
- 2) Goods costing Rs. 13,000 were destroyed by fire on 24-12-2008 and insurance company agreed to pay the insurance claim for Rs. 10,000.
- 3) Create a provision for doubtful debts @ 5% on debtors.
- 4) Purchases to the value of Rs. 5,000 on 28-12-2008 had been omitted to be recorded in books.
- 5) Depreciate machineries @ 15% and furniture @ 10% P.A.

You are required to prepare Trading and P/L A/c for the year ending 31-12-2008 and a Balance Sheet as on that date.



2. From the following information relating to a trader who keeps his books on single entry system, prepare Trading and P/L A/c for the year ending 31-12-2006 and a Balance Sheet as on that date.

	<b>1-1-2006</b>	<b>31-12-2006</b>
	<b>Rs.</b>	<b>Rs.</b>
Cash	28,000	
Creditors	20,000	
Furniture	18,000	18,000
Debtors		55,000
Stock	14,000	12,500
Computer	35,000	35,000
Land and Building	1,60,000	1,60,000
<b>Other particulars :</b>		<b>Rs.</b>
Receipts from debtors		1,75,000
Paid to creditors		50,000
Discount allowed		3,000
Discount received		3,500
Rent paid		9,000
Wages paid		4,000
Trade expenses		2,000
Salaries		9,500
Total sales (including cash sales Rs. 40,000)		2,25,000
Total purchases (including cash purchase Rs. 20,000)		1,20,000



Sales returns	2,000
Purchases returns	1,500
Drawings	10,000
Bad debts	2,000

Write off depreciation 10% on furniture, 50% on computers.

3. Bharath Electronics, Bangalore consigned 2500 units of electronic components @ Rs. 300 each on consignment basis to Mr. Manoj of Udaypur on 1-1-2007.

Bharath Electronics paid Rs. 5,000 for packing, Rs. 20,000 for freight charges and Rs. 10,000 towards insurance. During transit 100 units were destroyed and insurance claim was settled @ Rs. 30,000 and was directly paid to consignor.

Mr. Manoj took delivery of the consignment on 5-1-2007 and accepted a bill for Rs. 2,50,000 for 3 months. On 31-3-2007, Manoj reported as follows :

- a) 1500 units were sold @ Rs. 420 each.
- b) 700 units were sold @ Rs. 450 each on credit.
- c) Expenses incurred by him were :

Unloading/clearing charges Rs. 7,200, Godown rent Rs. 6,000, Advertising Rs. 5,000 and Salesmen Salary Rs. 15,000.

Mr. Manoj entitled to an ordinary commission @ 5% and a delcredere commission @ 2 ½ % on all sales. Consignee remitted the balance due from him through a Bank draft.

You are required to prepare :

- 1) Consignment A/c
- 2) Consignee's A/c
- 3) Goods damaged in transit A/c in the books of consignor
- 4) Pass Journal entries in the books of consignor.



4. From the following particulars prepare an Income and Expenditure Account of Sri Ram Hospital for the year ended 31-12-2007 and the Balance Sheet as on that date.

**Receipts and Payment Account**

To Balance	250	By Salaries	1,200
” Subscriptions		” General Exp.	300
2004	250	” Electric charges	200
2005	1,000	” Instruments	100
2006	200	” Newspapers	400
” Sale of old furniture		” Printing	50
(Costing Rs. 100)	60	” Furniture	250
” Rent received from use of hall	740	” Balance	500
” Profit from entertainments	400		
” Sale of Newspaper	100		
	<b>3,000</b>		<b>3,000</b>

**Adjustments :**

- a) The hospital has 50 members each paying an annual subscriptions of Rs. 25. Subscription o/s on 31-12-2007 were Rs. 300.
- b) On 31-12-2007 salaries of Rs. 100, salaries paid included Rs. 100 for the year 2006.
- c) On 1-1-2007 the hospital owned land and building valued @ Rs. 10,000, Furniture Rs. 600 and Instruments Rs. 500.



## PART – B

Answer **any two** questions. **Each** question carries **10** marks.

5. Define joint venture. Distinguish between joint venture and consignment.
6. A Co., purchased a machinery costing Rs. 1,00,000 on 1-1-2002 and spent Rs. 15,000 for its installation. Co. used to charge depreciation on it @ the rate of 10% P.A. under W.D.V. method. On 30-06-2005 Co. sold machinery for Rs. 85,000.  
Show the Machinery A/c for 4 years.
7. Kumar sells goods worth Rs. 40,000 to Ramesh on 1<sup>st</sup> June 2008 and draws a bill on him for the amount for 3 months. On the same day, the bill is endorsed to Karthik. The bill was duly paid on maturity. Pass Journal entries in the books of all the parties.
8. Give Journal entries to rectify the following errors :
  - a) Purchased a new computer for office use paid Rs. 52,000 had been debited to Purchase A/c.
  - b) Discount received Rs. 300 from a trader had been credited to Trader A/c.
  - c) Cash purchase of goods from M/s Pavani Traders Rs. 1,20,000 was recorded in Purchase Day Book.
  - d) A sale of old furniture Rs. 400 to Manjunath was totally omitted in the books.
  - e) Received commission Rs. 1,500 has been wrongly entered as Rs. 1,050.

## PART – C

Answer **any four** questions. **Each** carries **5** marks.

9. Distinguish between revenue expenditure and capital expenditure.
10. Write the limitations of Single Entry System.
11. Write a brief note on Accounting Conventions.
12. Write a note on Reserves.
13. What is an Account Sale ? Give specimen of an Account Sale with imaginary figure.
14. Mention any 5 Indian Accounting Standards (IAS).









