



Nagarjuna Degree College
38/36, Ramagondanahalli,
Yelahanka Hobli,
Bengaluru - 560 064.

34121

Reg. No.

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I Semester B.Com./B.Com. LSCM/BCTT Degree Examination,

March/April - 2022

COMMERCE

Financial Accounting - I

Paper : 1.3

(CBCS Scheme Regular 2019-2020)

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. Give any two advantages of accounting.
- b. State any two demerits of single entry system.
- c. What is Hire purchase system?
- d. What is Inter departmental Trasform.
- e. Give any two advantages of single entry system.
- f. What is Accounting standard?
- g. What is meant by Invoice price?

SECTION - B

Answer any **Three** questions from the following. Each question carries 5 marks.(3×5=15)

2. Mention any five difference between single entry and double entry system.
3. Prepare Accounting equation from the following transactions.
 - a. Commenced Business with cash Rs. 1,00,000.
 - b. Purchased furniture for cash Rs. 20,000.
 - c. Purchased goods from poonith Rs. 30,000.
 - d. Sold goods to puspa Rs. 18,000.
 - e. Paid rent Rs. 25,000.

[P.T.O.]



4. A machinery is priced at Rs. 1,62,000 and is payable in 3 annual installments of Rs. 60,000 each find out the interest and cash price components in installment.
5. Mention the basis of apportionment of the following items in departmental Accounting.
- Wages
 - Carriage inwards.
 - Discount received.
 - Depreciation.
 - Electricity charges.

SECTION - C

Answer any **three** questions. Each question carries **fifteen** marks.

(3×15=45)

6. Vijay, a general goods merchant does not maintain his books of accounts systematically. However the following information could be ascertained from his books of accounts for the year ending March 31, 2021.

| Particulars/Balance on during | April, 11, 2020 (Rs.) | March, 31, 2021 (Rs) |
|-------------------------------|-----------------------|----------------------|
| Plant & Machinery | 63000 | 63000 |
| Stock of goods | 28000 | 24500 |
| Sundry Debtors | 7000 | 10500 |
| Sundry Creditors | 17500 | 16310 |
| Balance at Bank | 14000 | - |

Transactions during the year ending March 31, 2021 (Cash Transactions).

| Transactions | Rs. |
|-----------------------------|----------|
| Wages paid | 21,000 |
| Sundry Expenses | 8,250 |
| Advertisement expenses | 3,920 |
| Rent paid | 8,750 |
| Purchase expenses | 8,610 |
| Cash collected from debtors | 2,88,750 |
| Cash paid to creditors | 2,25,190 |
| Drawing | 10,920 |

Vijay drew goods worth Rs. 2,730 from the business during the year for his personal purposes. The purchase return and sales return during the year amounted to Rs. 7000 and Rs. 3,500 respectively the plant and Machinery to be depreciated @ 5%.

Prepare Trading and profit & Loss account for the year ending March 31, 2021 and also a Balance Sheet on the same date.



7. On 01.01.2021, Shruthi company purchased a machinery under Hire purchase system, the cash price was Rs. 17,000 payable an under; Rs. 2000 on signing the agreement and the balance in 3 installments of Rs. 5000 each together with interest at 8% p.a. on 31st December each year the asset depreciated at 10% p.a under original cost method.

Prepare necessary ledger account in the books of Shruthi company.

8. From the following particulars prepare departmental trading and P & L A/c for the year ending 31st December 2021 and also balance Sheet as on that date.

| Particulars | Department 'A' | Department 'B' | Total |
|-----------------------|----------------|----------------|-------|
| Opening stock | 17400 | 14700 | |
| Purchases | 35000 | 30000 | |
| Sales | 60,000 | 40,000 | |
| Wages | 8,200 | 2,700 | |
| Rent, tax & Insurance | | | 9390 |
| Sundry/Expenses | | | 3600 |
| Salaries | | | 3000 |
| Lighting & Heating | | | 2100 |
| Discount received | | | 650 |
| Discount allowed | | | 2220 |
| Advertisement | | | 3680 |
| Carriage inwards | | | 2340 |
| Furniture | | | 3000 |
| Plant & Machinery | | | 21000 |
| S/Debtors | | | 6060 |
| S/Creditors | | | 30650 |
| Capital | | | 47660 |
| Drawings | | | 4500 |
| Cash | | | 10070 |

Additional Information :

- Internal Transfer of goods from Dept. 'A' to Dept. 'B' at cost price of Rs. 420.
- Rent, Taxes and insurance, sundry expenses lighting & heating, salaries and carriage inwards to be distributed in the ratio of 2/3 and 1/3 to dept. A & B.
- Advertising to be apportioned equally.
- Discount allowed and received to be apportioned an per sales and purchases ignory transfers.
- Depreciation at 10% p.a. on furniture and plant & Machinery to be charged to Dept A & B in the ratio of 3:1.
- Services rendered by 'B' Dept to 'A' Dept included in the wages of 'B' Dept Rs. 500.
- Stock on 31.12.2020 were Dept 'A' Rs. 16740 and Dept 'B' Rs. 12050.



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9. Bengaluru Head office of a company invoices goods to its shivamogga Branch at cost plus 20%. The Branch also purchases independently from local traders for which payments are made by H.O. All cash collections of the day is to be remitted to HO through a bank account and all expenses of the branch are directly paid by HO. From the following show shivamogga Branch Account in the books of the Head office.

| Particulars | Amount (Rs.) |
|--|--------------|
| Imprest cash on | |
| - 01.01.2020 | 60,000 |
| - 31.12.2020 | 55,500 |
| Debtors on 01.01.2020 | 7,50,000 |
| Stock on 01.01.2020 - transferred from HO at invoice price | 7,20,000 |
| Direct purchases by Branch | 4,80,000 |
| Total sales | 52,50,000 |
| Cash sales | 13,50,000 |
| Returns from customers | 90,000 |
| Direct purchases | 13,50,000 |
| Goods sent to branch from HO at invoice price | 18,00,000 |
| Transfer from HO for petty cash expenses | 75,000 |
| Bad debts | 30,000 |
| Discount to customers | 60,000 |
| Cash received from customers | 37,50,000 |
| Branch expenses | 9,00,000 |
| <u>Stock on 31.12.2020</u> | |
| Direct purchases by Branch | 3,60,000 |
| Transfer from HO at Invoice Price | 5,40,000 |