



Reg. No. : .....

Name : .....



**II Semester B.A./B.Sc./B.Com./B.B.A./B.B.A.T.T.M./B.B.M./B.C.A./B.S.W.  
Degree (CCSS – Reg./Supple./Improv.) Examination, April 2012  
CORE COURSE IN COMMERCE  
2B02 COM : Financial Accounting**

Time : 3 Hours

Max. Weightage: 30

**PART – A**

This Part consists of **two** bunches of questions carrying a weightage of **1**. **Each** bunch consists of **4** objective type questions. Answer **all** questions.

I. 1) \_\_\_\_\_ is a subsidiary book.

- a) Cash book
- b) Purchase book
- c) Sales book
- d) All of these

2) Inventory is valued at cost price or \_\_\_\_\_ price whichever is lower.

- a) Market
- b) Purchase
- c) Future
- d) Opening

3) Debit note is prepared in connection with \_\_\_\_\_

- a) Credit sale
- b) Credit purchase
- c) Sales return
- d) Purchase return

4) Balance sheet is prepared to ascertain \_\_\_\_\_

- a) Value of assets
- b) Financial position
- c) Solving position
- d) Profitability position

**(W=1)**

P.T.O.



II. 5) Manufacturing account is prepared to know \_\_\_\_\_

- a) Gross profit
- b) Cost of goods produced
- c) Cost of marketing
- d) Expenses on purchase and sale

6) \_\_\_\_\_ commission is given for bearing risk of bad-debts.

- a) Special
- b) Additional
- c) Delcredare
- d) Over-riding

7. In the absence of agreements the partners divide the profits and losses \_\_\_\_\_

- a) In the ratio of capital
- b) Equally
- c) In the ratio of participation
- d) None of these

8. Piecemeal distribution is in connection with \_\_\_\_\_

- a) Dissolution of firm
- b) Incorporation of firm
- c) Joint venture
- d) Consignment

(W=1)



PART – B

Answer **any 8** questions in **one** or **two** sentences **each**. **Each** question carries a weightage of **one**.

9. Define ledger.

10. What is GAAP ?

11. State two advantages of accounting standards.

12. What is trial balance ?

13. Explain matching concept.

14. What is account current ?

15. Define instalment system.

16. What is stock and debtors system in Branch Accounts ?

17. What do you mean by cash in transit ? Give the entry for cash-in transit in branch books.

18. What do you mean by dissolution of firm ?

(W=8×1=8)

PART – C

Answer **any 6** questions. Answer not to exceed **one** page. **Each** question carries a weightage of **two**.

19. Distinguish between consignment and sale.

20. Define leasing. Explain operating and financial lease.





21. Give rectification entries :

- a) Goods worth Rs. 500 returned to Ramesh has been recorded in return inward book.
- b) Cash sales to Suresh Rs. 1000 has been recorded in sales book.
- c) Purchase of goods worth Rs. 800 from Vineeth on credit has been recorded in cash book.
- d) Carriage paid for delivery of goods Rs. 200 has been debited to sales account.
- e) Sale of old computer has been treated as sales 3,000.

22. Star Electronics consigned 500 transistors to Sun electrical @ Rs. 60 per unit with instruction to sell them @ Rs. 100 per unit, Star Electronics incurred Rs. 1,100 for freight etc. Sun electronics sold 400 units and incurred Rs. 450 for selling the goods. Commission is fixed at Rs. 10 per unit sold. Stock on consignment is valued at Rs. 6,220.

Prepare Consignment Account.

23. Following are the transactions entered for the joint venture of **A** and **B** :

	<b>A</b>	<b>B</b>
Purchases	10,000	—
Expenses	3,500	2,500
Sales	—	20,000

They share profits in the ratio of 3 : 1. Prepare a Memorandum Joint Venture Account and ascertain the profit.

24. Mr. Mohan accepted the following bills drawn by Mr. Vijayan.

On 8<sup>th</sup> March 2009, Rs. 4,000 for 4 months

On 16<sup>th</sup> March 2009, Rs. 5,000 for 3 months

On 7<sup>th</sup> April 2009, Rs. 6,000 for 5 months

On 17<sup>th</sup> May 2009, Rs. 5,000 for 3 months.

He wants to pay all the bills on a single day. Find out this date, interest is charged @ 18% p.a.



25. Calculate cash price of the machine purchased under hire purchase scheme and interest included in each instalment :
- |                     |            |
|---------------------|------------|
| Hire purchase price | Rs. 80,000 |
| Down payment        | Rs. 20,000 |
- Instalments – 3 annual instalments of Rs. 20,000 each rate of interest 5% per annum.

26. Sathyam Agencies has a branch at Kottayam. The following are the transactions between the branch and head office for the year ended 31-3-2010.

Branch stock on 1-4-2009	18,000	
Petty cash on 1-4-2009	30	
Goods sent to branch	80,000	
Remittance to branch for		
Salaries	3,000	
Rent	4,000	
Petty cash	<u>170</u>	7,170
Cash remittance by branch	1,30,000	
Branch stock on 31-3-2010	21,000	
Petty cash on 31-3-2010	40	

Prepare Branch Account to ascertain branch profit.

(W=6x2=12)

#### PART – D

Answer **any two**. **Each** question carries a weightage of 4.

27. The following is the trial balance of Mr. Bose, a trader as on 31<sup>st</sup> December 2009.

	Dr.	Cr.
Capital		1,60,000
Plant and Machinery (1-1-2000)	2,00,000	
Addition to plant on 1-7-2009	1,00,000	
Furniture	50,000	
Debtors and creditors	3,04,000	2,49,000
Purchases and sales	6,25,000	9,85,000





Opening stock	65,000	
Salaries	35,000	
General expenses	62,000	
Bad-debts	8,000	
Provision for bad-debts		10,000
Discount allowed	7,000	
Taxes and insurance	18,000	
Loan		1,50,000
Motor vehicle	80,000	
	<b>15,54,000</b>	<b>15,54,000</b>

### Adjustments :

- 1) Stock at the end is valued at 95,000.
- 2) Write off further Rs. 4,000 as bad-debts and provision for bad-debts to be made equal to 5% of debtors.
- 3) Provide 2% on debtors for discount.
- 4) Depreciate plant and machinery at 10% per annum.
- 5) Interest on loan @ 12% is due for one year.

Prepare Final Accounts.

28. Jyothi and Maya were equal partners in a firm on 31<sup>st</sup> March 2010, they dissolved the firm on which date their Balance Sheet was as below :

Jyothi's capital	21,000	Cash at bank	2,500
Maya's capital	18,000	Debtors	42,000
Creditors	27,000	Less : Provision	<u>2,000</u>
Bills payable	5,000	Stock	32,000
Mrs. Veena's loan	10,000	Furniture	3,500
Reserve fund	15,000	Plant and machinery	25,000
Jyothi's loan	8,000	Prepaid expenses	1,000
	<b>1,04,000</b>		<b>1,04,000</b>



Stock, Debtors, Plant and machinery and Goodwill realised Rs. 27,000, Rs. 38,000, Rs. 20,000 and Rs. 5,000 respectively. Furniture did not realise any value. Bills payable were paid off at Rs. 6,000. The expenses of realisation were Rs. 1,000. Investment written off earlier realised Rs. 1,500.

Show (1) Realisation A/c (2) Partner's Capital A/c and Bank A/c.

29. On 1<sup>st</sup> January 2007 Beena purchased two trucks for Rs. 8,00,000 under hire purchase system from Shilpa Agencies. Beena paid Rs. 2,00,000 immediately and the balance was to be paid in three annual instalments of Rs. 2,00,000 each together with interest @ 20% per annum. Beena paid instalment on 31<sup>st</sup> December 2007 and 31<sup>st</sup> December 2008 but could not pay the next. Hence on truck has repossessed for Rs. 1,40,000 by adjusting its value against the amount due. Beena depreciated the trucks @ 20% diminishing balance method.

Prepare Trucks A/c and Shilpa Agencies A/c in the books of Beena. (W=2×4=8).

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