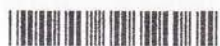


M 3776



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, May 2013  
(2011 and Earlier Admn.)  
Core Course in Commerce  
2B02 COM : FINANCIAL ACCOUNTING - SUPPL**

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**.

- I. 1) Purchases book is maintained to record
- |                                 |                      |
|---------------------------------|----------------------|
| a) Purchase of goods            | b) All cash purchase |
| c) All credit purchase of goods | d) None of these     |
- 2) Personal accounts are related to
- |                            |                    |
|----------------------------|--------------------|
| a) Assets and liabilities  | b) Expenses, loses |
| c) Customer, creditors a/c | d) None of these   |
- 3) Stock in trade is
- |                     |                     |
|---------------------|---------------------|
| a) Current asset    | b) Intangible asset |
| c) Fictitious asset | d) None of these    |
- 4) In the case of delcredere commission, the liability for bad debt is on
- |              |              |          |                  |
|--------------|--------------|----------|------------------|
| a) Consignee | b) Consignor | c) Buyer | d) None of these |
|--------------|--------------|----------|------------------|

(W = 1)

II. State whether the following statement are **true** or **false** :

- 5) Account sale is submitted by consignee to the consignor.  
6) Capital is the excess of liabilities over asset.  
7) Trade discount is allowed by wholesaler to retailer.  
8) Interest on capital is adjusted by debiting the capital account.

(W = 1)

P.T.O.



## PART – B

Answer **any 8** questions. **Each** question carries a Weightage of **one**.

- 9) What is adjusting entries ?
- 10) What do you mean by unearned income ?
- 11) Define joint venture.
- 12) What is goods in transit ?
- 13) What is independent branch ?
- 14) What is the principle in dual aspect concept ?
- 15) What is accounts payable ?
- 16) Define accounting standards.
- 17) What is higher purchase price ?
- 18) What do you mean by double entry system of book keeping ? **(Wt. 8×1=8)**

## PART – C

Answer **any 6** questions. **Each** question carries a Weightage of **2**.

- 19) Explain the concept of accounting standard.
- 20) Anand a partner withdrew in anticipation of profits for half year ended 31<sup>st</sup> December the amount stated below :  
Rs. 5,000 on July 18, Rs. 6,000 on August 12 and Rs. 8,000 on November 16.  
As per the terms of agreement drawings are subject to interest at 6% per annum. Calculate the interest to be charged to Anand with the help of average due date.
- 21) How would you rectify the following error which were disclosed in the books of Mr. Murthy.
  - a) In the sales book of March, a sale of Rs. 340 to Bhatia was entered as Rs. 430.
  - b) Purchases return book was not posted for the month of December totalling Rs. 850.
  - c) A sale return from Mr. Dutta in October Rs. 2,100 was entered in sale book.
  - d) Cash received from M. Ray Rs. 300 was posted to the account of N. Ray, the cash book was correct.





- 22) A and B were partners in a joint venture sharing profits and losses in the ratio of 6 : 4. A supplied goods of the value of Rs. 6,000 and incurred an expenditure of Rs. 200. B supplied goods of the value of Rs. 5,000 and his expenses amounted to Rs. 300. B sold all the goods on behalf of the joint venture for a sum of Rs. 18,000. B is entitled to a commission of 4% on sale and he settles his account by sending a bank draft to A.

Prepare joint venture a/c in the book of A and B.

- 23) What do you mean by account sale ? Give a specimen of it.  
24) State the principle of GAAP.  
25) What are the limitations of accounting ?  
26) Following are the items concerning the trading a/c. Pass journal entries to close these account :

1) Opening stock	2,000	
2) Purchase	5,000	
3) Purchase returns		200
4) Carriage inwards	200	
5) Sales		9,000

(Weightage 6x2=12)

PART - D

Answer **any two** questions. **Each** question carries 4 Weightages.

- 27) On 1<sup>st</sup> April 2010 Jas Motors purchased a tempo van on hire purchase system from Canara Bank. The terms are that Jas Motors would pay Rs. 2,00,000 down on signing of the contract and 4 annual installments of Rs. 1,10,000 each commencing from the beginning of the next year. Jas Motors charged depreciation @ 10% p.a. on cost under diminishing balance system. Canara Bank charged interest @ 10% p.a. is their hire purchase contract. Prepare van account and Canara Bank account.
- 28) Arjun Das of Agra consigned goods of the cost of Rs. 30,000 to his agent Jain at Cochin at a profit of 33.33% on cost. The expenses of Arjun Das were freight Rs. 3,000 and insurance at 2% of cost price.

Jain accepted a 2 months bill for 50% of invoice price drawn against the consignment which Arjun Das discounted for Rs. 18,500. Jain sold  $\frac{3}{4}$  of the goods for Rs. 42,000 for which a commission of 4% plus 2% Delcredere commission is payable. The expenses at Cochin amounted to Rs. 1,100. A customer who bought goods for Rs. 2,000 became insolvent and nothing could be recovered from him. On closing the books the unsold goods are valued at 20% less than cost due to fall in market price. Prepare important ledger account in the books of Arjun Das.



29) The following balances have been extracted from the books of Suresh stores as on 31<sup>st</sup> December 2011 :

	Dr.	Cr.
Capital		1,00,000
Good will	15,000	
Cash in hand	4,000	
Opening stock	40,000	
Purchase	1,70,000	
Investments	10,000	
Furniture	30,000	
Bad debts	6,000	
Provision for bad debts		7,000
Salaries	30,000	
Carriage inwards	10,000	
Rent	19,000	
Debtors and creditors	90,000	50,000
Sales		2,80,000
Printing and stationary	6,000	
General expenses	7,000	
	<b>4,37,000</b>	<b>4,37,000</b>

**Adjustments :**

- 1) Closing stock Rs. 47,000
- 2) Depreciate furniture by 10%
- 3) Reduce provision for bad debts to Rs. 2,000
- 4) Goods costing Rs. 2,000 were lost by fire on 30<sup>th</sup> Dec. 2011 for which nothing is recoverable from insurance company.
- 5) Manager is entitled to get a commission of 10% of net profit.

Prepare final account.

**(Weightage 2×4=8)**