



M 3843

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
(2012 Admn.)**

**CORE COURSE IN COMMERCE
2B02 COM : Financial Accounting**

Time: 3 Hours

Max. Weightage : 30

PART – A

This Part consists of **two** bunches carrying a weightage of **one**. Answer **all** questions.

- I. 1) Accounting standards are formulated in India
a) ICAI b) ASB c) IFAC d) IASB
- 2) Closing stock is valued at
a) cost b) market price
c) average price d) cost or market price whichever is less
- 3) The statement sent by the consigner to the consignee is known as _____
a) account sales b) invoice
c) statement of accounts d) performa invoice
- 4) Cash sent by H.O. to branch but not received by the branch as on the date of preparation of trial balance.
a) cash book balance b) balance in trial balance
c) difference in trial balance d) cash in transit **(W = 1)**
- II. 5) The amount required to be paid by the buyer on signing the agreement under hire purchase system is _____
- 6) The date selected on the starting point for calculating the average due date is _____
- 7) The relationship between ventures is that of _____
- 8) Expansion of GHAP. **(W = 1)**

P.T.O.



PART – B

Answer **any 8** questions. **Each** carries a weightage of **one**.

9. What is deferred revenue expenditure ?
10. What is account sales ?
11. State two features of joint venture.
12. What is an account current ?
13. What is debtors system ?
14. What is consignment account ?
15. What is revenue profit ?
16. What do you mean by money measurement concept ?
17. How arithmetical accuracy of book-keeping is proved ?
18. What are errors of principle ?

(W = 8×1=8)

PART – C

Answer **any six**. **Each** carries a weightage of **two**.

19. What are the difference between consignment and sale ?
20. What are the objectives of accounting standards ?
21. From the following details prepare a balance sheet of Mr. X.

Land and building	20,000	Bank loan	15,000
Closing stock	13,000	Creditors	16,000
Cash in hand	9,700	Salaries outstanding	1,200
Debtors	12,000	Drawings	3,000
Bills receivable	5,300	Capital	30,000
Insurance prepaid	200	Net profit	7,000
Furniture	6,000	Machinery	14,000
		Bills payable	14,000

22. Give a specimen of account sales.



23. Give the entries necessary to correct the following errors :
- 1) An item of Rs. 1,500 received on sale of machinery is credited to sales account from the cashbook.
 - 2) A sum of Rs. 400 drawn by the proprietor was debited to establishment charges account.
24. A transaction took place on 10th Jan. 2011 and the account current was prepared on 30th June 2011. Calculate the number of days for which interest is chargeable ?
25. Mr. R. purchased a machinery on 1st Jan. 2003 under hire purchase system Rs. 10,000 is paid on signing the agreement and the balance in three equal annual instalments of Rs. 12,000 each. Interest is charged at 20% per annum. Calculate the cash price of the machine.
26. Name the accounts prepared under stock and debtors system of maintaining Accounts of Branches. (W = 6x2=12)

PART – D

Answer **any two**. Each carries a weightage of **four**.

27. 'X' consigned goods of the cost of Rs. 30,000 to his agent 'Y' at a profit of 33.33% on cost. The expenses of 'X' were freight Rs. 3,000 and insurance of 2% of cost price. Y accepted a 2 months bill for 50% of invoice price drawn against the consignment which 'X' discounted for Rs. 18,500. Y sold 3/4 of the goods for Rs. 42,000 for which a commission of 4% plus 2% delcredere commission is payable. The expenses of Y amounted to Rs. 1,100. A customer who bought good for Rs. 2,000 become 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 Consignment Account.
28. Mr. P send goods to its branches at cost plus 25%. From the following particulars relating to Kottayam branch, prepare branch account and branch debtors account in the book of H.O.

Rs.

Stock at branch 1-1-2005	40,000
Debtors at branch 1-1-2005	24,000
Goods sent to branch during the year	1,20,000
Cheque sent for expenses at branch	20,000



Cash sales	85,000
Credit sales	60,000
Discount allowed to debtors	2,000
Bad debts written off	500
Goods transferred from Cochin Branch	20,000
Goods transferred to Trivandrum Branch	10,000
Returns by customers	1,500
Stock at branch on 31-12-2005	50,000
Debtors at branch on 31-12-2005	28,000
Expenses outstanding on 31-12-2005	2,000

29. The following is the Trial Balance of a trader as on 31-12-2011

	Dr. Rs.	Cr. Rs.
Sales	—	1,20,000
Purchases	85,000	—
Import duty	5,000	—
Factory exp.	3,000	—
Office exp.	6,000	—
Sundry debtors	30,000	—
Commission	—	1,500
Bad debts	2,500	—
Sundry creditors	—	28,500
10% investments	20,000	—
Interest on investments	—	1,500
Opening stock	15,000	—
General exp.	3,000	—
Cash in hand	2,000	—
Machinery	40,000	—
Capital	—	60,000
	2,11,500	2,11,500

Adjustments :

- 1) Closing stock is valued at Rs. 21,500/-
- 2) Provide 5% of debtors for bad debts
- 3) Interest on investments for 3 months is outstanding
- 4) Commission received in advance amounts to Rs. 300

Prepare Trading and Profit and Loss A/c and also a Balance Sheet as on 31st Dec. 2011.

(W = 2x4=8)