

Reg. No. :

Name :

II Semester B.Com. Degree (CCSS – Reg./Supple./Improv.)**Examination, May 2014****CORE COURSE IN COMMERCE
2B02 COM : Financial Accounting
(2012 Admn. Onwards)**

Time : 3 Hours

Max. Weightage : 30

PART – A**Two bunches of question. Carries equal weightage of one. Answer all.**

- I. 1) Prepaid expense is
 a) Income b) Liability c) Expense d) Asset
- 2) Abnormal loss is valued at
 a) Invoice b) Selling c) Purchase d) Cost
- 3) Under Stock and Debtors Account, loading in closing stock is debited in
 a) Stock Account b) Debtors Account
 c) Branch Adjustment Account d) Trading Account
- 4) Balance Sheet is prepared to show
 a) Capital b) Net profit
 c) Financial position d) Net liability **(W=1)**
- II. Match the following :
- 5) Dual concept a) Temporary partnership
- 6) Joint venture b) Debit and credit balance of accounts
- 7) Trial balance c) Consignment
- 8) Consolidated Balance Sheet d) Single entry
- e) Incorporation process
- f) Double entry **(W=1)**

PART – B**Answer any eight. Each carries a weightage of one.**

9. What is average due date ?
10. What do you mean by error of principle ?

P.T.O.



11. What is money measurement concept ?
12. What is hire purchase system ?
13. What are closing entries ?
14. What is goods in transit ?
15. State any two features of branches.
16. What is Trading Account ?
17. What is Proforma Invoice ?
18. Define Accounting. (W=8×1=8)

PART – C

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

19. What are the advantages of setting accounting standards ?
20. What is an accounting equation ? Illustrate its mechanism by imaginary figures.
21. Rectify the following errors :
 - a) Rs. 1,500 spent in the extension of factory building were changed to Repairs Account.
 - b) Rs. 280 were spent in the repair of machine but this amount is posted to Wages Account.
 - c) An amount of Rs. 150 withdrawn by the proprietor for his personal use, is posted to Travelling Expense Account.
 - d) Rent paid Rs. 500 omitted to post in Rent Account.
22. A and B entered into a joint venture to purchase and sell goods and to share profit and losses equally. A supplied goods for Rs. 20,000 and B supplied for Rs. 15,000. A paid Rs. 1,000 for rent, B paid Rs. 500 for advertisement. A sold some of the goods for Rs. 23,000 and B sold for Rs. 22,000. On closing the venture A took over the unsold goods for Rs. 1,500. Prepare Ledger Account in the books of B.
23. From the following details calculate value abnormal loss and value of closing stock.
 - Quantity of goods sent – 2,500 kg @ 36 per k.g.
 - Non-recurring expenses before loss – Rs. 1,800
 - Quantity of abnormal loss – 250 kg
 - Quantity of normal loss – 20 kg
 - Quantity of goods sold – 1,750 kg.



24. Mr. A partner of a firm, has drawn the following amounts from the firm in the year ending 31st March 2011.

	Rs.
1-7-2010	500
30-9-2010	800
1-11-2010	1,000
28-2-2011	400

Interest @ 6% p.a. is charged on drawings. Calculate interest chargeable under Average Due Date Method.

25. Give closing entries required for preparing Trading and Profit and Loss Account.

26. Prepare Account Current (in terms of approximate months) of A to be rendered by B from the following information taken from the books of B, reckoning interest @ 6% p.a.

		Rs.
1-4-2010	Balance in A's Account	6,000 (Dr.)
25-4-2010	Sale on credit	5,000
3-5-2010	Cheque received	8,000
6-5-2010	Sale on credit	10,000
23-5-2010	Cheque received	7,000
23-5-2010	Cash received	1,000

Account is closed on 30th June 2010.

(W=6x2=12)

PART – D

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

27. The H.O. at Madras has a Branch at Ernakulam. Goods are sent by the H.O. to its branch at cost which the branch sells both for cash and on credit. The following relate to the branch for the year 2010.

	Rs.
Stock at branch on 1-1-2010	24,000
Branch debtors on 1-1-2010	7,000
Furniture at branch on 1-1-2010	8,000
Goods sent to branch	1,40,000
Cash sales	82,000
Credit sales	90,000
Cash received from debtors	83,000
Return by debtors to branch	2,000
Discount allowed to debtors	1,000
Bad debts written off	500
Remittance to branch for expenses	7,000



Stock – 31-12-2010	40,000
Branch debtors – 31-12-2010	10,500
Furniture – 31-12-2010	6,400

Prepare Branch Account and Branch Debtors Account.

28. Usha fans of Bombay, consigned 1000 table fan to Cool Breeze, Poona for sale on the commission of 5% including 1% del credere commission. The cost price for fan was Rs. 1,200. But the invoice was made at Rs. 1,500. The expenses at Bombay amounted to Rs. 27,000 and that at Poona before reaching the goods at godown was Rs. 23,000.
Cool Breeze sold 800 fans @ Rs. 1,600. The sales expenses being Rs. 14,000. Give accounts in the books of both the parties.
29. From the following particulars, prepare Trading and Profit and Loss Account and a Balance Sheet as on 31st March 2010.

	Dr. (Rs.)	Cr. (Rs.)
Capital		25,000
Stock 1-4-2009	11,000	
Purchases	60,000	
Salaries	7,500	
Gen. Expenses	1,600	
Wages	13,000	
Wages outstanding		2,000
Sundry expenses	200	
Insurance	350	
Gen. expenses paid in advance	1,500	
Rent	800	
Debtors	10,000	
Sales		94,000
Cash in had	2,050	
Machinery	15,000	
Creditors		5,500
Drawings	3,000	
Returns	1,000	500
	1,27,000	1,27,000

Adjustments :

- 1) Stock 31-3-2010 Rs. 16,500.
- 2) Insurance prepaid Rs. 50.
- 3) Rent prepaid Rs. 100.
- 4) Salaries outstanding Rs. 500.

(W=2×4=8)