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Reg. No.....

Name.....

**FIVE YEAR B.Com., LL.B. (HONOURS) DEGREE EXAMINATION
OCTOBER 2024**

Second Semester

FC 4—FINANCIAL ACCOUNTING

(2023 Admissions—Regular/2018 to 2022 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. Explain any *two* basic concepts of accounting.
2. State the objectives of Accounting Standards.
3. Define Balance Sheet. What are the main objectives of balance sheet ?
4. Write a short note on 'Minimum Rent'.
5. What are the main classes of branch accounts ?
6. What is a Statement of Affairs ? How does it differ from a Balance Sheet ?

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. Define consignment. How does it differ from sales ?
8. Write a short note on :
 - (a) Provision for bad and doubtful debts.
 - (b) Performa invoice.
 - (c) Goods distributed as free samples.
 - (d) Goods-in- transits and cash-in-transits.

Turn over

9. Eoxcel Coal Co. are leases of a mine a royalty of Re. 1 per ton of coal raised with a Dead Rent of Rs. 80,000 p.a. with right to recoup short workings during the first five years of the lease.

The output for the first five years was as follows.

1 st year	16,000 tons
2 nd year	40,000 tons
3 rd year	80,000 tons
4 th year	1,00,000 tons
5 th year	1,20,000 tons

Write up the Dead Rent, Royalties and Shot workings account in the books of the Excel Coal Co.

10. Liberty Traders, Chennai have opened a branch at Kollam on 1.7.2022. The goods were sent by the H.O. to the branch and invoiced at selling price of the branch which was 125 % of the cost price of the H.O. The following are the particulars relating to the transactions of Kollam branch :

Goods sent to branch (at cost to H.O.) Rs. 2,80,000

Sales : Cash Rs. 1,25,000

Credit Rs. 1,75,000

Cash collected from debtors Rs. 1,56,000

Discount allowed Rs. 4,000

Cash sent to branch for :

Wages Rs. 3,000, Freight Rs. 11,000 and other expenses

(including godown rent) Rs. 6,000

Spoiled goods written off at invoice price Rs. 500

Stock on June 30,2023 at invoice price Rs. 55,000.

Prepare necessary accounts in the books of H.O.

(3 × 10 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

11. Define the single entry system of accounting. Explain the steps to be taken to convert the single entry system into double entry system.

12. X of Kochi consigned 300 chests of tea at Rs. 2,000 per chest to Y of New Delhi paying freight Rs. 4,000 and other expenses Rs. 2,000. Y sold 250 chests at Rs. 2,500 per chest and 25 chests at Rs. 2,200 per chest for cash. Y spent for freight and octroi Rs. 3,000 and other expenses Rs. 1,000. He remitted the amount due to X after deducting his commission at 5 % (normal), 2 % (over riding) and 1 % (del credere) commission to be given on total sales. Y found that one customer to whom credit was allowed paid only Rs. 4,600 against Rs. 5,000 in full settlement. Other customers paid the amount due. Pass journal entries and prepare ledger accounts in the books of consigner.
13. The following is the Trial Balance of M/s. Kasturi Agencies as on 31st March, 2023. Prepare Trading Profit and Loss Account for the year Ended 31st, March 2023 and a Balance Sheet as on that date :

<i>Particulars</i>	Dr. (Rs.)	Cr. (Rs.)
Drawings and Capital	18,000	1,00,000
Buildings	15,000	
Furniture and Fittings	7,500	
Motor Van	25,000	
Loan from Mr. A @ 12 % interest		15,000
Interest paid on above	900	
Purchases and Sales	75,000	1,00,000
Opening stock	25,000	
Establishment expenses	15,000	
Wages	1,750	
Bad debts	250	
Insurance	1,000	
Commission		7,500
Debtors and Creditors	28,100	10,000
Bank balance	20,000	
Total	<u>2,32,500</u>	<u>2,32,500</u>

Turn over

Adjustments : (i) Value of closing stock on 31st March, 2023 was Rs. 32,000. (ii) Outstanding wages Rs. 500 and prepaid insurance Rs. 300. (iii) Commission received in advance Rs. 800. (iv) Provide 5 % provision for bad and doubtful debts. (v) Allow interest on capital @ 10 % and charge interest on drawings Rs. 500. (vi) Balance of interest due on the loan is also to be provided for. (vii) The manager is entitled to a commission of 5 % of net profits before charging such commission. (viii) Provide at 10 % and 20 % depreciation on building and motor van respectively.

(2 × 15 = 30 marks)