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Reg. No.....

Name.....

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

SEPTEMBER 2025

Second Semester

FC 4—FINANCIAL ACCOUNTING

(2024 Admissions—Regular/2018 to 2023 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 mark.

1. What is the matching principle in accounting ?
2. What is single entry system, and what are its defects ?
3. What are the types of branch accounts ?
4. What is consignment, and what are its important terms ?
5. What is the treatment of abnormal loss in consignment accounts ?
6. What are the objectives of branch accounts ?

(5 × 3 = 15 marks)

Part B

Answer any three of the following questions.

Each question carries 10 marks.

7. Discuss the features and advantages of single-entry system.
8. Discuss the types of branch accounts and their features.
9. Ramesh Publishers took a license from Kiran Authors on 1st April 2022 to publish a textbook. The terms of the agreement were :

Royalty payable : ₹ 20 per book sold.

Minimum Rent (or Dead Rent) : ₹ 40,000 per year.

Turn over

Short workings (if any) can be carried forward and recouped within the next 2 years only. The following are the sales details.

Payment is to be made annually on 31st March

Year	Books Sold
2022-23	1,500
2023-24	2,200
2024-25	3,000

Prepare necessary accounts in the books of Ramesh Publishers.

10. XYZ Ltd. of Delhi has a branch at Mumbai. Goods are invoiced to the branch at cost plus 25 %. All cash collected by the branch is remitted to Head Office and all expenses are paid by the Head Office.

The following information relates to the branch for the year ending 31st March 2025 :

Opening Stock at Branch (invoice price)	—	₹ 25,000
Goods sent to Branch (invoice price)	—	₹ 1,25,000
Cash Sales	—	₹ 80,000
Credit Sales	—	₹ 60,000
Goods returned by Branch to H.O. (invoice price)	—	₹ 5,000
Branch Debtors (opening)	—	₹ 20,000
Branch Debtors (closing)	—	₹ 25,000
Cash received from Debtors	—	₹ 55,000
Discount allowed to Debtors	—	₹ 2,000
Bad Debts written-off	—	₹ 1,000

Expenses paid by H.O. for Branch :

- Salaries—₹ 18,000
- Rent—₹ 6,000
- Other Expenses—₹ 4,000

Closing Stock at Branch (invoice price)	—	₹ 30,000
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Prepare necessary books at Head Office

Part C

Answer any two of the following questions.

Each question carries 15 marks.

11. Discuss the importance of accounting standards in financial reporting.
12. Nas Cycle Co. Ltd., Kochi, dispatched 100 cycles costing Rs. 960 each to Raj Cycle Mart, Trivandrum. Consignor drew a bill on consignee for Rs. 50,000. Consignee was allowed a commission at 4 % and a del credere commission at 1 % on sale proceeds, Raj Cycle Mart sent an account sales, stating that 80 % of the cycles were sold for Rs. 1,26,000 on credit. Nas Cycle Co. incurred the following expenses on consignment Cartage Rs. 1,200 ; Freight Rs. 1,600 and Insurance Rs. 1,000. Raj Cycle Mart incurred the following expenses : Warehouse Expenses Rs. 500 ; Sales Expenses Rs. 500 and Advertisement Rs. 4,000. Consignee remitted the balance due by bank draft.

Prepare Consignment Account and other ledgers in the books of Consignor.

13. The following Trial Balance was extracted from the books of M/s Priya Traders as on 31st March 2025 :

Particulars	Debit (₹)	Credit (₹)
Capital	—	1,50,000
Drawings	12,000	—
Opening Stock (1-Apr-2024)	25,000	—
Purchases	1,40,000	—
Purchase Returns	—	6,000
Sales	—	2,20,000
Sales Returns	5,000	—
Wages	18,000	—
Carriage Inward	3,000	—
Carriage Outward	4,000	—
Salaries	24,000	—
Rent and Rates	12,000	—
Insurance	3,000	—

Turn over

Particulars	Debit (₹)	Credit (₹)
Bad Debts	2,000	—
Provision for Doubtful Debts (1-Apr-2024)	—	3,000
Sundry Debtors	60,000	—
Sundry Creditors	—	50,000
Bills Receivable	10,000	—
Bills Payable	—	12,000
Furniture	20,000	—
Plant and Machinery	80,000	—
Cash at Bank	15,000	—
Discount Allowed	8,000	—
Totals	4,41,000	4,41,000

Adjustments :

- 1 Closing Stock (31-Mar-2025) valued at ₹ 30,000.
- 2 Outstanding Wages ₹ 2,000.
- 3 Prepaid Insurance ₹ 500.
- 4 Depreciation : Plant and Machinery @ 10 % p.a., Furniture @ 10 % p.a.

Debtors : Write off further bad debts ₹ 1,000 and create a new Provision for Doubtful Debts @ 5 % on the adjusted debtors.

Prepare the Trading Account, Profit and Loss Account, and Balance Sheet of M/s Priya Traders as on 31st March 2025.

(2 × 15 = 30 marks)