24801214 (Pages : 4) Reg. No..................................

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

Second Semester

FC 4—FINANCIAL ACCOUNTING

(2022 Admissions—Regular/2018 to 2021 Admissions—Supplementary)

Time : Three Hours Maximum : 75 Marks

Part A

Answer any **five** *questions.*
Each question carries 3 *marks.*

1. What is the difference between capital and revenue expenditure ?
2. What do you mean by del-credere commission ?
3. What are the different methods of finding out profit under single entry system of accounting ?
4. What is short working ?
5. What is goods in transit ? Give journal entries ?
6. What is matching principle ?

(5 × 3 = 15 marks)

Part B

Answer any **three** *questions.*
Each question carries 10 *marks.*

7. Explain the different methods of maintaining Branch records in Head Office books.
8. How will you convert a Single entry system into Double entry system ? Explain in detail.
9. A keeps his books according to Single Entry System. Financial position of his business on 1-1-2010 was as under :

   Cash Rs. 250 ; Cash at Bank Rs. 1,000 ; Debtors Rs. 2,000 ; Stock Rs. 2,500 ; Furniture Rs. 750 Machinery Rs. 3,000 ; Creditors Rs. 1,500.

   Financial position of his business on 31st December 2010 is as under :

Cash Rs. 300 ; Debtors Rs. 3,000 ; Stock Rs. 3,500 ; Furniture Rs. 1,000 ; Machinery Rs. 4,500 Creditors Rs. 2,000 ; Bank overdraft Rs. 500.

During the year he withdrew Rs. 450 for his personal use and introduced further capital of Rs. 750.

Prepare Balance Sheet as on 31-12-2010 and find out profit for 2010.

10. A Head office in Mumbai has a branch in Ahmedabad to which goods are invoiced by the HO at cost price plus 25 %. All cash received by the branch is duly remitted to the Head Office. All expenses are paid from Mumbai. From the following particulars, show how the Branch account will appear in the Head Office books at Invoice price :

Stock on 1st July, 2003 (at Invoice price)	...	12,500	
Debtors on 1st July 2003	...	12,000	
Good invoiced from Mumbai	...	40,000	
Remittances to Mumbai ;			
Cash Sales	...	16,000	
Cash received from Debtors	...	29,500	45,500
Goods returned to the Head Office	...		2,400
Cheques received from Mumbai:			
Wages and salaries	...	11,000	
Rent, Rates	...	3,000	
Sundry Expenses	...	510	14,510
Stock on 31st December 2003 (Invoice price)	...		5,000
Debtors on 31st December 2003	...		22,500

(3 × 10 = 30 marks)

Part C

Answer any **two** *questions.*

Each question carries 15 *marks.*

11. Below is given the Trial Balance of Shri Ghanshyam Das and brothers in respect of the year ending 31st March 2012. Prepare his trading and profit and loss account for the year 2012 and his Balance Sheet as at that date :

Particulars	Dr. *Amount*	*Particulars*	Cr. *Amount*
Stock 1st April 2011	16,000	Sales	1,30,000
Purchases	90,000	Purchase returns	800
Carriage inwards	1,250	Discount	400
Sales returns	600	Commission	750
Insurance	1,500	Provision for bad debt	400
Trade expenses	3,600	Capital	32,000
Salaries	8,200	Bank loan	4,400
Bad debts	300	Creditors	11,600
Debtors	17,000	Bill payable	2,000
Building	24,000		
Machinery	10,000		
Drawings	4,000		
Bills receivable	4,500		
Cash	1,400		
	1,82,350		1,82,350

Following adjustments are necessary :

(a) Closing stock on 31st March 2012 was Rs. 12,000.

(b) Interest at the rate of 5 % p.a. was to be allowed on capital.

(c) Rs. 800 are outstanding for salaries.

(d) Insurance prepaid Rs. 150

(e) Depreciation is to be written off on buildings at 2 % and on Machinery at 10 %.

(f) Provision of 5 % for bad and doubtful debts.

(g) Commission earned but not received Rs. 200

Prepare trading and P and L account and Balance sheet.

12. A sent goods to B on consignment

From the following information pass journal entries in the books of Consignor and prepare Consignment A/c in the books of A

8,000 kg oil @ Rs. 12 per kg sent on consignment. Consignor incurred Rs. 4,500 in dispatch of goods. B's total sales expenses were Rs. 2,800. 800 kgs of oil destroyed in transit and Rs. 9,000 collected from Insurance company. 6,000 kg oil were sold @ Rs. 16 per kg. 5 % commission was paid on sales. Closing stock in B's hands was Rs.1,100 kg. Normal loss of 100 kg was estimated.

13. Explain different types of branches. What are the objects of keeping branch accounts ? What are the advantages of invoicing goods to branch at invoice price.

(2 × 15 = 30 marks)