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BCMCMCN 101

First Semester B.Com. Examination, February/March 2023

(NEP 2020) (2021-22 Batch Onwards)

FINANCIAL ACCOUNTING

(DSCC)

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any five** of the following questions :

(2×5=10)

1. Give the meaning of Accrual Basis of accounting.
2. What is Business Entity concept ?
3. Give the meaning of Manufacturing Account.
4. How do you treat goods distributed as free sample in final accounts ?
5. What is del-credere commission ?
6. What do you mean by Account sales ?
7. What do you mean by Recoupment of shortworkings ?
8. Give the meaning of Creative Accounting.

SECTION – B

Answer **any four** of the following questions :

(4×5=20)

9. What are the objectives of Accounting Standards ?
10. Explain the need for data analytics in accounting.
11. Calculate the value of consignment stock.

Goods sent on consignment: 600 units costing ₹ 500 each and invoice price
₹ 600 each

Consignor's expenses : ₹ 40,750

P.T.O.



Consignee's non-recurring expenses : ₹ 50,000
 Goods lost in transit (Abnormal Loss) : 40 units
 Loss due to natural wastage (Normal Loss) : 50 units
 Sales made by consignee: 420 units

12. Ram Ltd. sent 100 bicycles costing ₹ 2,500 each to Rahim Ltd. to be sold at the risk of the consignor. Rahim Ltd. was to get commission at 7% on bicycles sold. Ram Ltd. paid ₹ 6,000 towards freight and insurance. Rahim Ltd. took delivery of consignment and paid ₹ 2,000 for carriage and unloading and ₹ 4,000 for salesmen's salaries and godown rent. Rahim Ltd. sold 50 bicycles at ₹ 3,000 each for cash and 30 bicycles at ₹ 3,200 each on credit.

Rahim Ltd. settled their account with Ram. Ltd.

Prepare Consignment Account in the books of Ram Ltd.

13. Mr. Prinson runs a factory which produces head caps. Following are the details available in respect of his manufacturing activities.

Opening stock of raw materials ₹ 75,000

Opening work-in-progress ₹ 8,000

Closing stock of raw materials ₹ 85,000

Closing work-in-progress ₹ 10,000

Purchase of raw materials ₹ 4,20,000

Factory expenses ₹ 1,30,000

Rent of Factory ₹ 1,50,000

Direct wages ₹ 1,83,500

Motive power ₹ 1,00,000

Prepare Manufacturing Account.

14. From the following information, prepare Minimum Rent A/c

Year	Royalty (₹)
2020	70,000
2021	90,000
2022	1,20,000

Minimum rent is ₹ 1,00,000.



SECTION – C

Answer **any two** of the following questions :

(2×15=30)

15. Give the meaning of accounting concepts and explain different accounting concepts.
16. From the following Trial Balance and other information relating to the business of Mr. Vrushabhanatha, a retailer, prepare Trading and Profit and Loss Account for the year ended 31-3-2022, and Balance Sheet as on that date.

Trial Balance as on 31-3-2022

Particulars	Debit(₹)	Credit (₹)
Stock on 1-4-2021	15,000	—
Purchase and Sales	1,22,500	1,97,000
Returns	2,000	2,500
Wages	10,000	—
Carriage on Purchases	2,500	—
Discounts	500	1,000
Salaries	5,000	—
General Expenses	7,500	—
Prepaid Insurance	500	—
Insurance	1000	—
Income Tax paid	1500	—
Buildings	50,000	—
Furniture	10,000	—
Power and Light	1000	—
Debtors and Creditors	52,500	56,500
Depreciation	5,000	—
Outstanding Salary	—	2000
Commission	5,000	3000
Drawings and Capital	3,000	2,00,000
Bank Balance	9,000	—
Rent	8,500	—
Machinery	1,50,000	—
	4,62,000	4,62,000

Adjustments :

- 1) Stock on 31-3-2022 ₹ 38,000.
- 2) Purchases include goods worth ₹ 3,000 for private purpose of the proprietor.
- 3) Stock destroyed by fire was ₹ 20,000 and the insurance company accepted the claim partly for ₹ 15,000.



17. The Alarm Watch Co. Ltd, Bangalore dispatched 1000 wrist watches costing ₹ 900 each to their agents Mangalore Times Ltd. The consignee's commission was fixed at 6% on gross sale proceeds. The agents accepted a bill for ₹ 3,00,000 drawn on them as advance. The Alarm Watch Co. Ltd. incurred the following expenses on consignment :

Freight ₹ 18,000

Carriage ₹ 15,000

Insurance ₹ 25,000.

In transit 100 watches were totally destroyed by fire and ₹ 50,000 were duly received by Alarm Watch Co. Ltd from the insurer in full settlement.

The consignor received an account sale from agents showing that 700 watches were sold for ₹ 9,80,000 and they paid custom duty ₹ 15,000, clearing charges ₹ 8,000, warehouse rent ₹ 5,000 and sales expenses ₹ 10,000.

The agents remitted a draft for the balance.

Prepare Consignment Account, Consignee's Account and Abnormal Loss Account in the books of Alarm Watch Co. Ltd.

18. On 1st January 2019, Ramraj Ltd. leased a land from Mr. Munna for minimum rent of ₹ 2,00,000 in the first year ₹ 4,00,000 in the second year and thereafter ₹ 6,00,000 per annum merging into a royalty of ₹ 25 per ton with the power to recover shortworkings over the first three years only. The output being :

Year :	2019	2020	2021	2022
Output (in tons)	2,000	12,000	32,000	48,000

Prepare the following ledger accounts in the books of Ramraj Ltd.

- i) Royalty Account
- ii) Minimum Rent Account
- iii) Shortworkings Account
- iv) Munna's Account.