

Exam. Code : 108501
Subject Code : 2714

B.Com. Semester—I

BCG-103 : FINANCIAL ACCOUNTING

Time Allowed—3 Hours] [Maximum Marks—50

- Note :—** (1) Attempt any **ten** parts of the Question No. 1. Each answer should be up to 5 lines.
- (2) Attempt any **two** questions each from Sections B and C. Answer to each theory question should be upto 5 pages.
- (3) Candidates are allowed to use (Non-scientific) calculators.

SECTION-A

1. Write short notes on any **ten** of the following :
- (i) Marshalling of Balance sheet.
 - (ii) Business Entity Concept.
 - (iii) Recurring and non recurring expenses.
 - (iv) Deffered revenue expenditure.
 - (v) "Accounting is the language of the business." Discuss.

- (vi) Difference between Normal loss and Abnormal loss.
 - (vii) Joint Venture Account.
 - (viii) Primage.
 - (ix) Convention of Conservatism.
 - (x) Departmental Trading and Profit & Loss Account.
 - (xi) Independent branch.
 - (xii) Difference between Joint Venture and Consignment.
- 10×1=10

SECTION-B

2. What is Financial Accounting ? Explain its objectives and limitations. 10
3. Write short notes on the following :
 - (i) "Capital expenditure is different from revenue expenditure." Explain. 5
 - (ii) Discuss important Accounting Concepts. 5
4. Meena and Co. of Calcutta who sent 100 sewing machines on consignment to Najma of Patna, spent Rs. 250 on packing. The cost of each machine was Rs. 112 but it was invoiced at 25% above cost.

One case containing 5 machines was lost in transit. Najma was asked to pay Rs. 475 as freight of the remaining machines. He had to spend Rs. 95

as Cartage and Octroi Duty and Rs. 190 as Godown rent. He sold 75 machines @ 190. He found 10 machines defective and therefore returned them to Calcutta at a cost of Rs. 50. Najma is entitled to a commission of 5% on Invoice price, 20% of any excess realized on the invoice price and 1% del-credre commission. Najma could not realize sale proceeds of 5 machines.

Prepare Consignment Account, Consignee's Account, Stock on Consignment Account and Stock Reserve Account in the books of Meena & Co.

10

5. From the following Trial Balance of Mr. Rohit as on 31st March 2008, prepare Final Accounts.

Particulars	Debit Rs.	Credit Rs.
Capital	—	1,20,000
Creditors	—	24,000
Sales	—	2,50,000
Loan	—	20,000
Outstanding Salaries (1.4.07)	—	2,000
Discount	—	1,200
Drawing	24,000	—

Particulars	Debit Rs.	Credit Rs.
Furniture	8,000	—
Machinery	60,000	—
Purchases (Adjusted)	1,54,000	—
Salaries & wages	46,800	—
Debtors	40,800	—
Import Duty	3,000	—
Rent and Rates	7,200	—
Bad debts	80	—
Trade expenses	400	—
Audit fees	1,020	—
Insurance	1,600	—
Travelling expenses	1,000	—
Carriage and cartage	600	—
Prepaid insurance (1.4.07)	400	—
Cash in hand	26,300	—
Stock (31.3.2008)	42,000	—
	<u>417200</u>	<u>417200</u>

Adjustments

- (i) Of the debtors, Rs. 800 are bad and should be written off.
- (ii) Create a reserve for bad debts at 5% on sundry debtors and reserve for discount on debtors at 2%.
- (iii) Salaries Rs. 1,600 for the month of March, 2008 were not paid.
- (iv) Prepaid insurance on 31.3.2008 was Rs. 200.
- (v) Interest on capital is to be allowed @ 6% p.a. and interest Rs. 660 to be charged on Drawings.
- (vi) Depreciate machinery by 10% and furniture by 5%
- (vii) Sales include Sales Tax collected from customers Rs. 15,000. 10

SECTION-C

6. Define Departmental Accounting. What are the basis upon which the joint expenses are allocated to different departments ? 10
7. What is meant by incorporation of Branch Trial Balance ? What are the various entries for incorporation of Branch Trial Balance in the books in the books of H.O. ? 10

8. X Shipping Co. Ltd, Bombay acquired a Ship Costing Rs. 50 Lakhs on 1st December, 2006 and got her insured @ 6%. The freight was also insured at the same rate, the amount of policy being Rs. 30 Lakhs. During the four months to 31st March, 2007, the ship made one round trip to London and was half way through the second trip (single way) to London. It carried the following Cargo :

- (i) To London 5000 Tonnes @ Rs. 100 per ton
- (ii) From London 4000 Tonnes @ Rs. 80 per ton
- (iii) To London 5000 Tonnes @ Rs. 88 per ton.

Primage was 5% and address commission was 10%.

The expenses incurred were :

	Rs.
Salaries and Wages	1,00,000
Fuel and Power	1,30,000
Port charges	20,000
Stevedoring charges (Rs. 6 per ton)	84,000
Store purchases	35,000
Stock of stores on 31-3-2007	5,000

The ship is subject to depreciation @ 6% p.a. on original cost.

Prepare Voyage A/C to ascertain profit or loss for the period from 1-12-2006 to 31-3-2007. 10

9. A head office sends goods to its branch at 20% less than list price. Goods are sold to customers at cost plus 100%. From the following particulars ascertain the profit made at the H.O. and at the branch on the wholesale basis.

	H.O.	Branch
	Rs.	Rs.
Opening stock at cost (At wholesale price in case of branch)	40,000	32,000
Purchases	2,00,000	-
Goods sent to branch (at wholesale price)	96,000	-
Sales	1,70,000	80,000
Sundry expenses	14,000	8,000
		10