

**Exam. Code : 108501**  
**Subject Code : 2060**

**B.Com. 1<sup>st</sup> Semester**  
**FINANCIAL ACCOUNTING**  
**Paper—BCG-103**

Time Allowed—3 Hours] [Maximum Marks—50

**Note** :—(1) The candidates are allowed to use Non-Scientific calculator.

- (2) Attempt **FIVE** questions, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

**SECTION—A**

1. Write notes on the following :—
  - (a) "Capital Expenditure is different from Revenue Expenditure." Explain.
  - (b) "Capital Receipt is different from Revenue Receipts." Explain.
2. Explain the scope and limitations of Financial Accounting.

### SECTION—B

3. (i) What is a Voyage Account ? Why is it prepared ?  
(ii) Give a specimen of Trading Account.
4. C Shipping Company Ltd., Mangalore sent its steamship "Karnataka" to New York on November 1, 2018. The ship went to New York and returned to Mangalore on February 28, 2019.

During the voyage the following expenses were incurred.

(a) Wages	Rs. 20,700
(b) Port Charges	Rs. 55,600
(c) Fuel	Rs. 15,400

The freights earned for both the journeys amounted to Rs. 2,10,000 and the shipping agents are entitled to a commission of 5% on freights.

The annual insurance premium for the ship was Rs. 18,000 and for the freight Rs. 6,000 p.a. The value of unsold store and provisions amounted to Rs. 7,600.

Prepare Voyage Account.

### SECTION—C

5. (a) "Distinguish between Joint Venture and Consignment."  
(b) "Distinguish between Normal Loss and Abnormal Loss."

6. Sri Mehta of Mumbai consigns 1,000 cases of goods costing Rs. 100 each to Sri Sundaram of Chennai. Sri Mehta pays the following expenses in connection with the consignment :

Carriage Rs. 1,000; Freight Rs. 3,000; Loading charges Rs. 1,000.

Sri Sundaram sells 700 cases at Rs. 140 per case and incurs the following expenses :

Clearing charges Rs. 850; Warehousing and storage Rs. 1,700; Packaging and selling expenses Rs. 600.

It is found that 50 cases have been lost in transit and 100 cases are still in transit.

Sri Sundaram is entitled to a commission of 10% on gross sales. Draw up Consignment Account and Sundaram's Account in the books of Sri Mehta.

#### SECTION—D

7. Explain the basis of allocation of expenses over various departments.
8. M/s. Bharat Enterprise Ltd. invoices goods to their various branches at cost, and the branches sell on credit as well as for cash. From the following details

relating to Bangalore Branch. prepare necessary accounts in the books of head office under stock and debtor system.

	Rs.		Rs.
Stock on 1 <sup>st</sup> January, 2019	15,000	Allowances to customers	300
Stock on 31 <sup>st</sup> December, 2019	14,000	Returns from customers	600
Debtors on 1 <sup>st</sup> January, 2019	25,000	Bad Debts written off	500
Debtors on 31 <sup>st</sup> December, 2019	35,000	Discount allowed to customers	2,000
Cash at branch on 1 <sup>st</sup> January, 2019	500	Remittance from branch	70,000
Cash sent to branch	1,500	Rent & Taxes	1,500
Goods sent to branch	50,000	Salaries	5,000
Goods returned by branch	500	General Trade Charges	1,500
Cash sales	32,000	Normal Loss of goods due to wastage	1,000
Credit sales	58,000	Abnormal Loss of goods due to pilferage	2,000