



NS - 411

15

I Semester B.Com. Examination, November/December 2016
(Semester Scheme) (2012-13 and Onwards) (Repeaters)

COMMERCE
Financial Accounting - I

Time : 3 Hours

Max. Marks : 100

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION - A

Answer **any 10** sub-questions. **Each** question carries **2** marks.

(10×2=20)

1. a) Define Accounting.
- b) State any two functions of Accounting.
- c) Give the meaning of Hire purchase system.
- d) Define short workings.
- e) State any two objectives of sale of firm to a company.
- f) What is recoupment of short workings ?
- g) How do you calculate purchase consideration under Net Assets method ?
- h) State the meaning of single entry system.
- i) Why is minimum rent clause included in the Royalty agreement.
- j) What Journal entry is passed to record liabilities taken over by the partners ?
- k) What is Hire purchase price ?
- l) Mention any two features of Instalment purchase system.



SECTION - B

Answer **any four** questions from the following. **Each** question carries **8** marks. (4×8=32)

2. Explain the importance of Accounting.

P.T.O.



3. From the following information calculate total purchases and total sales.

	₹		₹
Opening Debtors	28,000	Cash paid to creditors	4,000
Closing debtors	20,000	Discount earned	400
Opening creditors	16,000	Discount allowed	800
Closing creditors	19,000	B/R received from debtors	5,000
Cash received from debtors	12,800	B/P issued to creditors	11,600
		Bad debts written off	600

4. A company taken over the following assets and liabilities from a firm

	₹		₹
Land and Buildings	50,000	Debtors	25,000
Plant and Machinery	30,000	B/R	20,000
Stock	25,000	Current liabilities	40,500

The value of Goodwill is fixed at 30,500

Calculate the purchase consideration which is payable in 10,000 equity shares of ₹ 10 each and the balance in cash.

5. Calculate the cash price of an asset from the following details.

	₹
Down payment	1,500
I Instalment payable at the end of 1 st year	10,800
II Instalment payable at the end of 2 nd year	10,350
III Instalment payable at the end of 3 rd year	9,900
IV Instalment payable at the end of 4 th year	9,450

Rate of interest = 5% P.a.

6. Prepare an Analysis Table and short workings A/c from the following details.

Royalty payable = 50 paise per ton of output

Minimum Rent ₹ 7,500 P.a.

Right of recoupment of short workings = upto 3 years. Output during the first 3 years = 10,000, 14,000, 18,000 tons respectively.



SECTION - C

Answer any three questions. Each question carries 16 marks. (3x16=48)

7. Prakash purchased a machinery from Bangalore Motors Ltd. on 1st January 2004 on Hire purchase system. The payment is to be made as follows.

₹ 50,000 paid at the time of agreement

₹ 3,60,000 at the end of 2004

₹ 3,45,000 at the end of 2005

₹ 3,30,000 at the end of 2006

₹ 3,15,000 at the end of 2007

Rate of interest is 12% P.a.

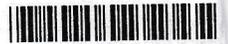
Prakash charged depreciation on machinery at 25% P.a. on diminishing balance. You are required to prepare necessary ledger accounts in the books of Prakash.

8. Ram, Rahim and Robert are in partnership sharing profits and losses in the ratio of 4 : 3 : 1 respectively on 31-3-1998. They agreed to sell their business to a limited company. The position on that date was as follows :

Liabilities	₹	Assets	₹
Capital :		Freehold property	36,000
Ram	40,000	Machinery	24,000
Rahim	30,000	Book debts	30,000
Robert	26,000	Stock	26,000
Loan from Bank	8,000	Cash	4,000
Sundry Creditors	16,000		
	1,20,000		1,20,000

The company took the following assets at the valuation shown below :

	₹
Freehold property	44,000
Machinery	22,000
Book debts	28,000
Stock	24,000
Goodwill	8,000



The company also agreed to pay the creditors which was agreed at ₹ 15,400. The company paid 3,300 shares of ₹ 10 each fully paid and the balance in cash. The expenses amounted to ₹ 1,000. Prepare the necessary ledger accounts in the books of the firm.

9. Hemanth leased on oil well from Venkat Oil Ltd. on 1-1-2010. The minimum rent was ₹ 2,00,000 and royalty was ₹ 20 per ton of crude oil raised. The short workings were recoverable in the succeeding two years of such short workings. The output during the first 4 years were 5,500, 8,000, 11,250, 12,500 tons. Prepare Minimum Rent A/c, Royalty A/c, short working A/c and Venkat Oil Ltd's A/c in the books of Hemanth.
10. Mr. Mohan keeps his books by single entry system. From the following data, prepare trading and P/L A/c for the year ending 31-3-2014 together with B/S as on that date :

Cash Book analysis shown in the following :

	₹
Interest charges	200
Personal withdrawals	4,000
Salaries	17,000
Business expenses	15,800
Payments to creditors	30,000
Balance at Bank on 31-3-14	4,850
Cash on hand on 31-3-14	150
Receipts from debtors	50,000
Cash sales	30,000

Further details available are

	1-4-2013	31-3-2014
	₹	₹
Stock	18,000	20,440
Creditors	16,000	11,000
Debtors	44,000	60,000
Furniture	2,000	2,000
Machinery	30,000	30,000

Provide 5% interest on Mohan's capital as on 1-04-2013. Provide ₹ 3,000 for doubtful debts and 5% depreciation on all fixed assets.