

# St. Claret College

Autonomous, Bengaluru

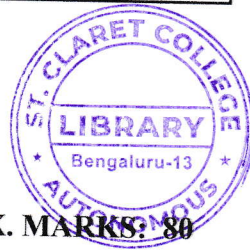
UG END SEMESTER EXAMINATION-NOVEMBER 2025

BCOM I SEMESTER

BC 1124: FINANCIAL ACCOUNTING

8

Roll No:  
Date:



TIME: 3 hours.

MAX. MARKS: 80

This paper contains FOUR printed pages and FOUR parts

**Instructions:**

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

**PART-A**

Answer all the TEN questions. Each answer carries ONE mark.

[ 1x 10=10 ]

1. Prepaid rent belongs to which of the following categories of accounts?  
A) Asset A/c      B) Liabilities A/c      C) Capital A/c      D) Expenses A/c
2. Incomes that have been earned but not yet received are defined as what?  
A) Abnormal Income    B) Outstanding Incomes    C) Accrued Incomes    D) Both B and C
3. In the conversion from a single- entry to a double-entry system, how are drawings by the owner typically recorded?  
A) As an expense      B) As a reduction in owner's capital  
C) As an asset      D) As a liability
4. Which of the following accounts need to be prepared to ascertain credit sales  
A) Bills Receivable A/c    B) Sundry Debtors A/c    C) Cash A/c      D) Sales A/c
5. Goods have been delivered to customers; however, customers are provided with the option to retain or return the goods. What method of sales does this represent?  
A) Sales return    B) Credit Sales    C) Goods Sent on Approval basis    D) Partial Sales
6. An extra commission payable to the consignee for promoting sales higher than the specified price is called  
A) Ordinary Commission      B) Del Credere Commission  
C) Over-Riding Commission    D) Surplus Commission
7. The amount payable by the lessee to the lessor on the production or sale is  
A) Royalty      B) Minimum Rent  
C) Short Working      D) All the above
8. Minimum amount payable by the lessee to the lessor, irrespective of output or production, is called as  
A) Dead Rent    B) Fixed Rent    C) Flat Rent    D) All the above
9. Under which of the circumstances average clause is applicable  
A) When the actual loss is less than the policy amount  
B) When the actual loss is more than the policy amount  
C) When the policy amount is less than the closing stock  
D) When the Policy amount is less than salvage value

10. Calculate the Amount of Claim. Policy amount- ₹60,000, Actual loss -₹80,000, and stock up to the date of fire - ₹100,000  
 A) 100,000                      B) 48,000                      C) 80,000                      D) 60,000

**PART-B**

Answer any **THREE** questions. Each answer carries **EIGHT** marks.

[8X3= 24]

11. Explain any four accounting principles.

12. From the following particulars, you are required to prepare closing balances for Debtors, Bills

Receivable A/c

Total Debtors on 1-4-2024	₹44,250	Returns from Customers	₹3,450
Bills Receivable on 1-4-2024	₹16,000	Bills Receivable Received	
Credit Sales	₹2,06,310	from Debtors	₹28,800
Cash Received from Debtors	₹1,72,350	Cash Received Against B/R	₹30,000
Discount Allowed	₹1,740	Bad Debts	₹2,550

13. A. Define Consignment.

- B. Calculate the value of closing stock from the following information.

Mr. Ram of Mumbai sent 100 bicycles, which cost ₹900 each, to Gopal of Chennai on a consignment basis. Ram Manohar paid freight of ₹1,200, cartage ₹300 and Insurance ₹400. In Chennai, Gopal has spent ₹100 on cartage, loading and unloading ₹50. The bicycles have been kept in a godown at a monthly rent of ₹100 at the end of accounting period, 20 bicycles remained unsold. The selling price of the bicycle is ₹1, 000 at Chennai. What should be the value of stock unsold?

14. Prepare an analysis table based on the following details.

Mr. Arjun has patent of safety locks. He gave the right of manufacture and sale of lock to National Traders for 14 years on the following terms:

Royalty will be at ₹5 on each lock sold and minimum rent ₹ 1,00,000 per year and rights of recoupment is 2 years succeeding the year of short working. Accounts are closed on 31st December every year. Sales of locks are as follows:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>No. of locks sold</b>	16,000	18,000	22,000	36,000	20,000	25,000

15. Maria traders have taken a fire insurance policy of ₹ 4,80,000 covering its stock in trade. A fire occurred on 30.6.2024, and the stock was destroyed except for the value of ₹1,24,080. The following particulars are available from the firm's books of accounts.

Stock on 01.04.2024	₹ 1,80,000
Purchase to the date of fire	₹ 7,80,000
Sales to the date of fire	₹ 5,40,000
Carriage Inwards	₹ 24,000
Commission paid on purchase	2%
Rate of gross profit on cost	50%

The policy was subject to an average clause. You are required to calculate the Amount of Claim and loss incurred due to under insurance.

**PART-C**

Answer any **THREE** questions. Each answer carries **TWELVE** marks.

[ 12 x 3 =36]

16. Show the effect of the following transactions on the accounting equation:

- a) Manoj started business with Cash ₹ 2,30,000 Goods ₹1,00,000 Building ₹ 2,00,000
- b) He purchased goods for cash ₹ 50,000
- c) He sold goods (Costing ₹ 20,000) ₹ 35,000
- d) He purchased goods from Rahul ₹ 55,000
- e) He sold goods to Varun ₹ 60,000
- f) He paid cash to Rahul in full settlement ₹ 53,000
- g) Received cash from Varun in full settlement ₹ 59,000
- h) Rent outstanding ₹ 3,000
- i) Prepaid Insurance ₹ 2,000
- j) Commission received by him ₹ 13,000
- k) Amount withdrawn by him for personal use ₹ 20,000
- l) Depreciation charge on building ₹ 10,000

17. On 1.10.2024, MS Ltd. consigned 1000 tins of groundnut oil from Bhavani Nagar to a party, Mr X, in Mumbai. Each tin costs ₹30. MS Ltd. paid ₹5,000 in freight, insurance, and other expenses. During transit, 25 tins were accidentally destroyed. Mr X takes delivery on 15.10.2024 and accepts a bill drawn by MS Ltd. for 3 months' maturity. On 31.12.2024 Mr. X sold 800 tins at 50 per tin and reported a theft of 35 tins in godown to MS Ltd. Mr X had also paid ₹ 1000 as godown rent and ₹22,000 by way of labour charges and fire Insurance. Mr X is entitled to receive a commission of 5% plus 1% for Del Credere risk. Show ledger accounts up to 31.12.2024 in the books of MS Ltd Assuming that Mr. X Pays dues to MS Ltd through Bank drafts.

18. The Karnataka Minerals Ltd., acquired a lease from a landlord for the purpose of extracting ore. It was agreed that the company should pay Rs.12 per ton of ore raised subject to a minimum rent of Rs.36,000 a year and that the short working could be recouped in the first 3 years.

The output raised for the first 4 years was:

Year	2020-21	2021-22	2022-23	2023-24	2024-25
Output (Tons)	1,750	2,750	3,750	4,750	5,750

Write up the Royalties Account, Short Working A/c and Landlord A/c.

19. Arjun carries on a grocery business and does not keep his books on a double-entry basis. The following particulars have been extracted from his books:

Particulars	1.4.2024 (₹)	31.3.2025 (₹)
Plant and Machinery	18,000	18,000
Stock	8,000	7,000
Sundry Debtors	2,000	3,000
Sundry Creditors	5,000	4,660
Cash	4,000	?

Analysis of his cash book for the year ending 31.3.2025 showed the following:

Wages: ₹6,000      Sundry Expenses: ₹2,500      Advertising: ₹1,120      Drawings: ₹3,120  
Rent and Rates: ₹2,500      Carriage Inwards: ₹2,460      Cash received from Debtors: ₹82,500  
Cash paid to Creditors: ₹64,340

**Additional Information:**

- During the financial year 2024-25, Arjun had taken from his business for his own consumption goods which amounted to ₹780.
- Purchases return during the year were ₹2,000 and sales returns were ₹1,000.
- Depreciate Machinery by 5%.

Prepare Trading and Profit and Loss Account for the year ending 31st March 2025 and Balance Sheet as at that date.

20. On 1st July 2024, a fire destroyed the stock of a business firm. From the records which were saved, the following information was obtained:
- Stock on 1/4/2023 ₹.45,000 , Stock on 1/4/2024 ₹ 55,000  
Purchases for the year 2023-24 ₹1,29,250  
Purchases for 3 months up to the date of fire ₹60,000  
Sales - for the year 2023-24 ₹ 1,70,000  
Sales upto the date of fire ₹1,00,000  
Manufacturing Expenses for the year 2023-24 ₹ 21,000  
Manufacturing expenses for 3 months upto date of fire-?  
In May 2024, goods valued at a cost price of ₹500 were distributed as samples. Manufacturing expenses were normally found to be constant per month. The salvaged stock was estimated at ₹7,000, Policy amounted to ₹30,000. Prepare a statement showing the amount of the claim.

**PART-D**

**Answer the following Case Study carrying TEN marks.**

**[ 10 x 1 = 10 ]**

21. Bright Star Ltd. Is a small business which was incorporated in the year 2024. The following transactions took place during the month of November.
- November 1: Commenced business with cash ₹50,000.  
November 3: Purchased goods worth ₹15,000 on credit from M/s Global Traders.  
November 5: Sold goods worth ₹10,000 for cash (costing ₹6,000).  
November 6: sold goods to Kiran ₹7000  
November 8: Paid shop rent ₹2,500 in cash.  
November 12: Received ₹5,000 from a Debtor, Mr. Kiran in full settlement of his account 7000.  
November 15: Bought office furniture worth ₹7,000 in cash.  
November 20: Owner, withdrew cash ₹3,000 for personal use.  
November 25: Goods returned by SR LTd worth of 10,000. These goods were sold in November.  
Assume yourself as an accountant. Draft the above transaction in journal entry format.

\*\*\*\*\*