



-18-

SN – 580

**I Semester B.Com. Examination, Nov./Dec. 2014
(2012-13 and Onwards) (Repeaters)
COMMERCE**

1.3 : 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 from the following. **Each** question carries **2** marks. (10×2=20)

1. a) Define accounting.
b) Write two objectives of accounting.
c) Mention any two disadvantages of single entry.
d) Write any two differences between a statement of Affairs and Balance Sheet.
e) State two differences between Hire Purchase System and Installment Sale System.
f) Is repossession of an asset sold under Installment System possible ? Why ?
g) What is Hire Purchase System ?
h) Define short workings.
i) What is Dead Rent ? Why this clause is included in the royalty agreement ?
j) What is purchase consideration ? Mention the methods of calculating purchase consideration.
k) Mention two objectives of conversion of a firm into a limited company.
l) What is Realisation A/c ? and how it is closed ?

SECTION – B

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

2. Write any 4 functions of accounting.

3. Ascertain Credit Purchases and Credit Sales from the following :

Sundry Debtors on 1-1-2009	–	₹ 25,600
Sundry Debtors on 31-12-2009	–	₹ 19,600
Sundry Creditors on 1-1-2009	–	₹ 15,200

P.T.O.



Sundry Creditors on 31-12-2009	—	₹ 18,060
Cash received from Debtors	—	₹ 12,800
Cash paid to Creditors	—	₹ 3,500
Discount allowed	—	₹ 700
Discount received	—	₹ 500
B/R received from Debtors	—	₹ 2,500
B/P accepted from Creditors	—	₹ 11,740
Bad debts	—	₹ 600
B/R dishonoured by Debtors	—	₹ 800

4. Mr. Chandra wrote a Textbook on Business Management and got it published from Himalaya Book House on 1-1-2000 on the following terms :

Royalty ₹ 10 per copy sold

Minimum Rent ₹ 50,000 p.a.

Recoupment of short working during the first four years. Other details are :

Year	No. of copies printed	Closing stock
2000	3000	1000
2001	4000	2000
2002	8000	3000
2003	5000	1500
2004	6000	500

Prepare an analysis table.

5. On 1st January, 2000, Ranjith purchased a machinery from Raghav on hire purchase basis. The details are as follows :

- Cash price ₹ 30,000
- ₹ 8,000 to be paid on signing the contract
- Balance in three installments of ₹ 8,000
- Rate of interest at 5%.

Calculate the interest paid by Ranjith and also prepare Raghav's A/c in the books of Ranjith.



6. Pass incorporation entries in the books of the purchasing company from the following particulars :

Purchase consideration ₹ 6,00,000

Value of assets taken over ₹ 7,00,000

Current liabilities taken over ₹ 50,000

Settlement of purchase consideration ; 80% in Equity Shares of ₹ 10 each and the Balance in 8% Debentures of ₹ 100 each.

SECTION – C

Answer **any three** questions. **Each** question carries **16** marks.

(3×16=48)

7. Mr. Ganesh started his business on 1-4-2011 with a capital of ₹ 25,000. He bought furniture for ₹ 4,000. He borrowed ₹ 5,000 from his wife as loan, introduced further capital of ₹ 3,000. He withdrew ₹ 600 every month, from the following information, prepare his Trading and Profit and Loss A/c and the Balance Sheet on 31-3-2012 :

	₹
Sales (including cash sales ₹ 30,000)	1,00,000
Purchases (including cash purchases ₹ 10,000)	75,000
Carriage I/W	700
Wages	300
Discount allowed to debtors	800
Salary paid	6,200
Bad debts written off	1,500
Trade expenses	1,200
Advertisement	2,200

Mr. Ganesh used goods worth ₹ 1,300 for private purposes and paid ₹ 500 to his son, which is not recorded on 31-3-2012, his debtors were ₹ 21,000 and creditors ₹ 15,000. Stock was valued at ₹ 10,000 on that date. Furniture to be depreciated by 10% p.a.

8. J.S.W. Mining Company is engaged in working a coal mine. On 1-1-2000 it entered into an agreement with the owner of the land which provided for ;
- A royalty of ₹ 20 per ton of coal revised.
 - A minimum rent of ₹ 50,000 per annum.



iii) The recovery of short workings within a period of first 3 years.

iv) The output during first 5 years was :

Year	Output (in Tons)
2000	2000
2001	2250
2002	3000
2003	3800
2004	5000

Prepare : Dead Rent A/c, Royalties A/c, Short Workings A/c and Landlord A/c in the books of JSW Mining Company.

9. Anu and Banu are partners having Profit Sharing Ratio of 2 : 1 and their B/S as on 31-12-2008 was as follows :

Liabilities	Amount	Assets	Amount
Creditors	60,000	Cash	450
B.P.	15,000	Debtors	90,000
Reserve Fund	9,000	(-) Reserve	4,500
Anu's loan	30,000	B.R.	7,500
Capital : Anu	45,000	Stock	65,550
Banu	30,000	Machinery	30,000
	1,89,000		1,89,000

They agreed to sell the business to a limited company and the company to take over the assets and liabilities as follows :

Machinery at ₹ 24,000, Stock at ₹ 52,500, Debtors ₹ 76,050, B/R at ₹ 7,500 and Goodwill at ₹ 9,000. The company agreed to take over creditors at ₹ 57,000 and B/P ₹ 15,000. The firm received ₹ 60,000 of the purchase price in ₹ 10 fully paid equity shares and the balance in cash. Distribute the shares in the profit sharing ratio.

Prepare necessary ledger accounts in the books of the firm.

10. On 1-4-2006 XYZ and Co. took delivery from ABC Company Ltd., a machine on hire purchase system ₹ 15,000 being paid on delivery and the balance in 5 installments of 30,000 each payable annually on 31st March. The cash price of the machine was ₹ 1,50,000. Charge depreciation at 10% p.a. on reducing balance method.

Prepare necessary ledger accounts in the books of XYZ and Co.