

2 MJ 40103/2 MJ 50103

THREE YEAR B.Com. (CBCS) DEGREE EXAMINATION, APRIL/MAY 2024.

SECOND SEMESTER

B.Com. (General) – Majors/Computer Applications

FINANCIAL ACCOUNTING

(w.e.f. 2023-24 Admitted Batch)

Time : 3 hours

Maximum : 70 marks

(No additional sheet will be supplied)

PART A — (5 × 4 = 20 marks)

Answer any FIVE of the following.

1. Book-keeping Vs Accounting.
2. Types of Subsidiary books.
3. Importance of final accounts.
4. Trading account.
5. Depletion method.
6. Causes of depreciation.
7. Account sales.
8. Valuation of unsold stock on consignment.
9. Joint bank account.
10. Features of joint venture.

PART B — (5 × 10 = 50 marks)

Answer ONE question from each unit.

11. Journalize the following transactions

2024

- | | |
|-------|--|
| Jan 1 | Dharani started business with a cash of Rs.1,25,000 |
| 4 | Bank account opened with Rs.15,000 |
| 6 | Sold goods to Kavitha Rs.15,000 |
| 7 | Sunitha sold goods to us Rs.7,800 |
| 9 | Bought furniture from Saroja Rs.9,000 and issued cheque |
| 12 | Kavitha settled her account with Rs.14,850 |
| 20 | Cash paid to Sunitha Rs.7,800 |
| 28 | Received commission from Bharani Rs,5,000 |
| 30 | Dharani used Rs. 5,000 worth of goods for her personal use |
| 31 | Paid salaries Rs.25,000 |

Or

12. Enter the following transactions in three columnar cash book

Date	Details	Amount
2023		Rs.
Aug. 01	Cash balance	15,000
	Bank balance	10,000
8	Cash sales	22,000
9	Payment for cash purchases	21,000
9	Cash deposited in bank	15,000
14	Withdrawn from bank for personal use	6,000
16	Withdrawn from bank office use	14,500
20	Received cheque from John in full and final settlement and deposited the same in the bank	10,700
23	Received cash from Michael	6,850
	Discount allowed	150
25	Cartage paid in cash	350
25	Cheque received from Kumar	4,500
28	Cheque received from Kumar deposited in Bank	4,500
31	Cheque deposited on Aug. 28 dishonoured	
31	Rent paid by cheque	4,000
31	Paid wages to the watchman in cash	3,000
31	Paid cash for postage	220

13. From the following information prepare trading and profit and loss account

	Rs.		Rs.
Stock (1.1.2023)	1,00,000	Purchases	5,00,000
Office expenses	10,000	Rent rates and taxes	20,000
Insurance	4,000	Depreciation	6,000
Discount allowed	25,000	Bad debts	18,000
Advertisement	5,000	Gas water	3,000
Factory lighting	5,000	General expenses	8,000
Stock (31.12.2023)	1,50,000	Telegrams	2,000
Wages	1,00,000	Motive power	10,000
Carriage	10,000	Returns outwards	20,000
Export duty	18,000	Sales	12,25,000
Coal and coke	25,000	Fuel	25,000
Returns inwards	20,000	Printing	4,000
Stationery	15,000	Salaries	50,000

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14. Prepare trading account, profit and loss account and balance sheet as on 31st December 2023

Debit balances	Rs.	Credit balances	Rs.
Drawings	72,000	Capital	2,00,000
Building	1,00,000	Bank overdraft	60,000
Furniture	50,000	Sales	6,00,000
Motor van	1,40,000	Commission	9,000
Interest	3,000	Creditors	20,000
Purchases	3,00,000	Interest	6,000
Opening stock	50,000		
Establishment expenses	34,000		
Wages	4,000		
Insurance	2,000		
Debtors	55,000		
Bank A/c	75,000		
Cash in hand	10,000		
	8,95,000		8,95,000

Adjustments:

- (a) Closing stock value as on 31-12-2023 was Rs.64,800
 - (b) Outstanding wages were Rs.2,000
 - (c) Prepaid insurance is Rs.1,000
 - (d) Charge interest on capital at 10% p.a.
 - (e) Depreciation: Buildings 5 %, Furniture and Motor van 10%
15. Mahendra Ltd purchased a machine on 1-01-2020 for Rs76,000 and paid for Rs.4,000 for erection of machine. On 1-4-2021 the company purchased another machine for Rs.50,000. On 30-6-2022, the first machine was sold for Rs.25,000 due to repairs. On 1.7.2022 acquired another machine for Rs.1,00,000. The company follows the calendar year as the financial year. Write off depreciation at 10% per annum. Show the machinery account under Diminishing Balance Method upto 31-12-2023.
- Or
16. B Ltd acquired a lease right for 25 years of a mine on 1st January 2019 on a lumpsum payment of Rs.15,00,000. Estimated coal deposit was 37,50,000 tonnes, 80% of which, it is expected, could be raised within the lease period. The company decided to depreciate the lease under the depletion method. The annual raising were 2019- 50,000 tonnes, 2020 — 80,000 tonnes, 2021 – 1,00,000 tonnes, 2022 and 2023 - 2,00,000 tonnes each year. Show the lease account from 1st January 2019 to 31 December 2023.

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17. On 1st January 2023, Rani consigned 2,000 cases of lipsticks to Ramani of Rajamundry. The cost of each case is Rs.200. Rani paid Rs.10,000 towards freight and Rs.5,000 for insurance. Ramani received the stock on 15th January 2023 and accepted two months bill drawn by Rani for Rs.50,000 as an advance. On 31st March 2023 the Ramani sent the account sales with the following particulars

- (a) 1,600 cases of lipsticks were sold at the rate of Rs.240 each.
- (b) Ramani incurred Rs.1,000 godown rent, Rs.500 as insurance and selling expenses Rs.1,000
- (c) Ramani is entitled to a commission of 5% on sales

Ramani settled her account by sending the balance by bank draft. Prepare necessary ledger accounts in the books of Rani.

Or

18. Gupta, Hyderabad, consigned 500 cases of Toys to Murali of Mumbai. The cost of each case was Rs.500. The consignor paid Rs.1,000 for freight and insurance. The consignee took delivery and incurred expenses as carriage to godown Rs.1,000 and godown rent Rs1,000. Consignee reported that 420 cases were sold at Rs.800 each. They are entitled to a commission of 10% on sales. The consignee settled his account by sending a cheque for the balance due to from him. Pass necessary journal entries in the books of Consignor.

19. Vinay and Pranay join together to construct a building for Rs.5,00,000 sharing profits and losses equally. They opened a Joint Bank A/c, each contributing Rs.1,00,000. They incurred the following costs:

	Rs.
Raw materials purchased	2,00,000
Wages	50,000
Materials supplied by Vinay	40,000
Concrete mixer supplied by Vinay	45,000
Materials supplied by Pranay	20,000

Pranay took over the stock of material valued Rs.50,000. The contract was completed and all the money was received. Prepare the necessary accounts.

Or

20. Ravi and Rakesh were started Joint Venture and agreed to share profits and losses in the ratio of 3:2. Ravi used to purchase goods and send them to Rakesh for sale. Ravi purchased goods for Rs 2,40,000 and paid Rs.20,000 as expenses. The honorarium to Ravi is Rs.40,000. Rakesh sold goods and received cash Rs.3,60,000 and incurred Rs,10,000 as expenses. Rakesh is entitled to receive 5% commission on sales. Pass necessary journal entries in the books of Ravi and Rakesh.