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B.M.S. COLLEGE FOR WOMEN
BENGALURU-560 004.

I SEMESTER EXAMINATION – JAN/FEB 2024

B.Com Regular - FINANCIAL ACCOUNTING
(NEP Scheme 2021-22 onwards F + R)

Course Code: COM1DSC01

Duration: 2 ½ Hours

QP Code:1021

Max. Marks: 60

Instruction: All the answers should be written in English only.

SECTION-A

1. Answer any FIVE of the following questions. Each question carries TWO marks. (5X2=10)

- Define accounting.
- What are the three golden principles?
- What do you mean by consignment?
- Sales Rs 200000, GP Rate 25% on cost. Find the cost of goods sold.
- State any four operating expenses.
- How do you find Short working?
- Give the meaning of inflation accounting.

SECTION-B

Answer any FOUR of the following questions. Each question carries FIVE marks. (4X5=20)

- Briefly discuss the users of accounting information.
- From the following balances, prepare statement of manufacturing in vertical form for the year ending 31st March 2023.

Particulars	₹
Stock on 1/04/2022	
Raw Material	1,50,000
Work in progress	80,000
Purchase of Raw Materials	2,00,000
Carriage Inwards	10,000
Direct Wages	15,000
Factory Wages	20,000
Depreciation on Machinery	5,000
Power Charges	15,000
Carriage Outwards	5,000
Selling Expenses	15,000
Stock on 31/03/2023	
Raw Materials	30,000
Work in Progress	20,000

4. Vishnu Company took a lease of a mine for 60 years on a Royalty of Rs 10 per ton coal raised. The minimum rent is Rs 1,20,000 p.a. Short working can be recovered within first three years of the lease.

The output during the first 5 years was:

Year	2019	2020	2021	2022	2023
Output in tons	9000	11000	15000	19500	16500

Prepare Royalty Analysis Table.

5. Mr. Vinu consigned 50,000 units costing Rs 5 each to Mr. Mahadeva. Mr. Vinu incurred Rs 10,000 for sending the goods. 2500 units were abnormally destroyed in transit. Mr. Mahadeva took delivery and paid Rs 1,500 for bringing the goods to the go down. Consignee sold 30,000 units at Rs 10 each. Consignee paid selling expenses of Rs 10,000. Calculate the value of closing stock.

6. Write a short note on digital transformation of accounting.

SECTION-C

Answer any TWO of the following questions. Each question carries TWELVE marks.

(2X12=24)

7. Mr. Rajesh the author of a book titled as Financial Accounting, entered into a royalty agreement with Himalaya publishers Ltd. on 1.04.2018. The terms were a royalty of Rs 50 per copy sold, be payable subject to a minimum rent of Rs 4,00,000 p.a. With a right to recover the short workings during the subsequent two years from the year in which short workings arise. The other details are:

Year	No of copies printed	Closing stock
2018	6,200	1,200
2019	8,000	1,800
2020	9,000	2,000
2021	10,000	1,500
2022	12,000	1,000

Pass journal entries in the books of Himalaya publishers.

8. Amoran batteries of Bangalore consigned 1500 batteries costing Rs 5000 each to Vinayaka electricals of Mysore. The consignor paid Rs 75,000 as freight charges and Rs 30,000 as insurance. During transit, it was found that 10 batteries were damaged and insurance company settled the claim Rs 45,000. Consignee received the balance of batteries and incurred Rs 14,900 as unloading charges. He sold 800 batteries at Rs 6500 per unit for cash and 450 batteries on credit at Rs 7000 per unit. He spent Rs 42,000 as go down rent, Rs 6500 as advertisement and Rs 30,000 as salesman salary. Consignee is entitled to 5% ordinary commission on sales and 2% del credere commission on credit sales. Consignee does final settlement by cheque payment.

Prepare: i) Consignment Account, ii) Consignee's Account, iii) Goods sent on Consignment a/c, iv) Abnormal Loss a/c.

9. From the following trial balance of Sri. Ganesh sole proprietor, prepare final account for the year 31st March 2022.

Trail balance as on 31st March 2022

Debit Balances	Rs	Credit Balances	Rs
Drawing	9,000	Capital	48,000
Purchases	40,000	Sales	61,000
Return inwards	3,000	Discounts	4,000
Stock (1.4.2021)	16,000	Sundry creditors	20,000
Salaries	8,400	Bills payable	5,000
Wages	2,400	Other incomes	2,000
Rent	700		
Bad debts	800		
Discounts	1,400		
Sundry debtors	28,000		
Cash in hand	520		
Cash at bank	11,880		
Insurance	800		
Trade expenses	600		
Printing	500		
Furniture	4,000		
Machinery	10,000		
Carriage outwards	2,000		
	1,40,000		1,40,000

Adjustments:

- i. Closing Stock Rs 14,000.
- ii. Insurance Prepaid Rs 120.
- iii. O/s Salary Rs 400 and o/s Wages Rs 400.
- iv. Make provision for Doubtful Debts at 5% on Debtors.
- v. Interest on Capital at 5% p.a.
- vi. Depreciate Machinery at 5% and Furniture at 10%.

SECTION-D

Answer any ONE of the following questions, which carries SIX marks.

(1X6=6)

10. Prepare the Statement of Manufacturing with imaginary figures.
11. Prepare the Proforma invoice and Accounts Sales with imaginary figures.
