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**SAINTGITS COLLEGE OF APPLIED SCIENCES**

**Second Internal Assessment Examination, November 2018**

**B. Com First Semester (Computer Applications & Taxation)**

**FINANCIAL ACCOUNTING**

Total: 80 marks Name ……………

Time: 3 Hours Roll Number ……………

**Section A**

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

1. What is Notional Transactions?[Download the original attachment](http://mail.google.com/mail/?view=att&th=12649ac036880405&attid=0.2&disp=attd&realattid=f_g4nizah71&zw)
2. What is statement of affairs?
3. What is normal loss?
4. What is Del credere Commission?
5. Why total debtors account is prepared?
6. Insurance premium paid during 2013 is Rs 1200 of which 2 months insurance is prepaid pass adjusting entry for the prepaid insurance and also show how it would appear in profit and loss account and balance sheet.
7. What is capital receipt?
8. What is outstanding expense?
9. What is consignment?
10. What you mean by Proforma Invoice?
11. What is fictitious Assets?
12. What is an account sale? **(10 X 2 = 20 marks)**

**Section B**

*Answer any 6 questions. Each question carries 5 marks.*

1. Explain grouping and marshalling of assets & liabilities. Give specimen.
2. Write short notes on the following:

 a) Royalty b) minimum rent c) short working, d) recoupment of short working

 e) lessor and lessee

1. Explain the treatment of bad debts in consignment.
2. What are the limitations of single entry system?
3. The following are the extracts from the Trial Balance as on 31.12.2015

 Extracts of Trial Balance

|  |  |  |
| --- | --- | --- |
|  | Debit | Credit |
| Sundry debtors | 21500 |  |
| Discount allowed |  800 |  |
| Provision for discount on debtors(1.1.10) |  | 900 |
| Bad debts | 1200 |  |
| Bad debts recovered |  | 300 |

Additional Information

1. Write off further bad debt Rs 500
2. Create a provision Rs1000 for doubtful debts.
3. Discount on debtors 3%

Pass Journal entries and prepare Bad debt account, Provision for Bad debts account provision for discount on debtors. and show the effects on final accounts.

1. Distinguish between consignment and sales.
2. Prepare the analysis table to show the effect of short workings form the following information:

Royalty 10 per unit. Minimum rent is .25000 and with provision to recover short workings within the next 2 years of the year of short workings.

The other particulars are:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Qty | 1600 | 2100 | 2800 | 2600 | 2700 | 2500 |

1. Menon & associates Trissur consigned 200 electric stoves of cost of Rs.400 each to Sujan Electronics,Cochin at 25% above cost. The expenses at Trissur were Rs. 4000 for packing,forwarding and insurance.During transit 20 stoves were damaged by accident for which insurance co. admitted a claim of Rs.5000.The amount is later received by the consignor. Sujan took delivery after accepting a bill of Rs.40000.The damaged stoves are sold for Rs.2000.Of the balance Sujan sold 150 stoves @ Rs.600.Their expenses amounted to Rs.1200.The consignee is entitled to a commission of 6% on gross sales. Prepare important ledger accounts in the books of Menon.
2. Mr. Incomplete started a small retail shop on 1st Jan, 2016 with a capital of Rs.25000. On 31st Dec, 2016, he had cash in hand Rs.3000, Cash at bank 7500,Stock in trade Rs.6500,Sundry Debtors Rs.12000,Furniture Rs 6000 and Sundry Creditors Rs 5000.During the year he withdrew Rs 6000 for personal purpose and brought in Rs 2000 from the Private property.

Ascertain the profit or loss of Mr. Incomplete for the year ended 31st Dec,2016.

 **(6 X 5 = 30 marks)**

 **Section C**

 *Answer any 2 questions. It carries 15 marks.*

1. From the following trial balance of Nikhil agencies you are required to prepare Trading & Profit and Loss A/C for the year ended 31.03.2015 and a Balance sheet as on that date

|  |  |  |  |
| --- | --- | --- | --- |
| Debits  | Amt | Credits  | Amt |
| Cash in hand | 2500 | S. Creditors | 25000 |
| Opening stock | 45000 | Sales | 320000 |
| S. Debtors | 31000 | Bills payable | 10000 |
| Purchases | 240000 | Rent from subletting | 600 |
| Carriage on purchases | 3000 | Bad debts recovered | 500 |
| Bills receivable | 15000 | Provision for bad debt | 2000 |
| Drawings | 10000 | Capital | 142900 |
| Rent | 6000 |  |  |
| Commission | 2000 | Commission | 3000 |
| Discount | 3000 | Discount | 1000 |
| Returns | 2000 | Returns | 4000 |
| Income tax paid | 4000 |  |  |
| Plant & Machinery | 30000 |  |  |
| Furniture | 40000 |  |  |
| Cash at bank | 15000 |  |  |
| Motor van | 60000 |  |  |
| Sales tax paid |  500 |  |  |
|  | 5,09,000 |  | 5,09,000 |

Adjustments :

1. Closing stock – Rs. 60000
2. Further bad debt Rs. 1000 and create a provision of 5% on debtors for doubtful debts
3. Create provision of 2% for discount on debtors and creditors
4. Provide interest on capital and drawings @ 10%
5. On 28th March 2015 a fire broke out in the godown and goods costing Rs. 3000 were lost for which nothing is recovered from insurance co.
6. Manager is entitled to commission of 5% on Net profit ,before charging such commission
7. Mr. Loose keeps only incomplete records. His position on 1st jan,2016 was as follows ;

 Cash in hand -1850, Sundry debtors- 8500, Stock – 12500, Furniture -4000, Sundry

 Creditors -10000

 His cash transactions for the year ended 31st Dec,2016 were the following :

|  |  |
| --- | --- |
| Cash sales Receipt from debtors Commission received  Payment to Creditors  Cash purchase  Wages paid  Salaries paid  Rent paid  Business expense paid | 4500056000150041000320004300460024002600 |

 On 31stDec 2016 the trader had sundry debtors 16200, Stock- 22000 & sundry creditors -11500 , Wages outstanding – 400 and rent paid in advance -200, Depreciation at 10%

 Prepare Trading, Profit &loss for the year ended 31st dec,16 and a balance sheet as on that date.

1. From the following details as on 31st dec.13 prepare the cattle account in the books of KFBC Farm

|  |  |  |
| --- | --- | --- |
| Chicken opening stockCattle opening stockCattle closing stockCattle food opening stockCattle stock closing stockPurchase of cattle foodPurchase of chicksPurchase of cattleSale of cattleSale of slaughtered cattleSale of chicks and chickenSale of carcasses | NO:8013015075305 | AMT1500003,20,0005,50,00050,00080,0001,00,0003,00,0006,00,0005000002,00,0005,00,0005000 |

Out of calves born during the year 3 died and their carcasses does not realized anything. Crop worth Rs.50,000 grown in the farm was used for feeding. 30,000 is estimated to be wages for rearing etc. Slaughter house expenses amounted to 20,000. Charge depreciation 15000 and insurance 4000. Cattle waste used for crop division 21000.

**Turn Over**

1. EXE Ltd , Madras consigned 200 table fans costing Rs.1200 each to agent N&co. Exe Ltd & co drew upon N& co a bill for Rs.160000 and discounted the same for Rs. 154000. The consignors paid Rs 4000 for carriage, insurance etc. N& co paid duty charges Rs.8000 and sold 160 fans at Rs.1500 for cash and 20 fans at Rs.1600 on credit.

One customer owing Rs 1600 failed to pay because of insolvency and another customer deducted Rs.600 because of dispute regarding quality. The consignee is entitled to a commission of 6% including 1% delcredere commission. Their sales expenses Rs.1800. A customer was allowed a discount of Rs. 100 on receipt of Rs. 2900 from him. Give important ledger accounts in the books of exe & co and journal entries in the books of N& co.

**(2 X 15 = 30 marks)**



 ***Scan QR code for the answer scheme***