# **SAINTGITS COLLEGE OF APPLIED SCIENCES**

**PATHAMUTTOM, KOTTAYAM**

**First Internal Assessment Examination, September 2018**

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

**FINANCIALS ACCOUNTING-I**

Total marks: 50 Name : ……………….

Time: 2hours Roll No: ……………….

***Section A***

*Answer any 5 questions. Each question carries 2 marks*

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1. Define farm accounting.
2. Wages paid in kind in farm business is treated as a contra transaction. Why? Give its accounting entry.
3. What is Fixed Rent?
4. Define accounting.
5. Define Royalty.
6. What is a balance sheet? **(5x2=10 marks)**

***Section B***

*Short essay questions*

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

1. Explain the features of farm accounting.
2. Calculate closing stock

Opening stock 15000

Purchases 30000

Purchase returns 2700

Sales 48000

Sales returns 3000

Carriage inwards 3000

Rate of gross profit on cost 33 1/3 %

1. From the following information prepare crop account to ascertain the profit made by the crop division of the farm.

Opening stock sale of wheat 35,400

 Wheat 5,000 wheat consumed by the proprietor 1,600

 Seeds 1,000 depreciation on farm machinery 2,000

 Fertilizers 1,500 closing stock

Purchases: wheat 4,000

Seeds 600 seeds 700

 Fertilizers 900 fertilizers 800

 Wages:

 Paid in cash 6,800

 Paid in kind by wheat 4,600

1. Explain with a suitable example the concept of revenue expenditure, revenue receipts, and revenue profit and revenue reserves.
2. Briefly explain a) business entity concept b) going concern concept c) dual aspect concept d) convention of conservation e) convention of materiality
3. On 1st Jan 2014, A ltd took on lease a coal field from B Ltd on a royalty of Rs 10 per ton of coal raised with a minimum rent of Rs 10000 per annum. The following were the results of working of A ltd for the first three years.

Years 2014 2015 2016

Production in tones 600 900 1000

Give journal entries in the books of A ltd. Assuming that there is no right of recoupment.

**(5 × 5 = 25 marks)**

***Section C***

*Long essay questions*

*Answer any one question which carries 15 marks.*

1. From the following Trial Balance of Bellary Farms, Prepare Final Accounts for the year ending 31st March 2017:

|  |  |  |
| --- | --- | --- |
| Particulars |  Opening Stock | Closing Stock |
| Crops | 3900 | 4100 |
| Seed | 1800 | 2250 |
| Cattle | 71000 | 102000 |
| Growing crops | 3000 | 3900 |
| Cattle Feed | 10000 | 7500 |
| Poultry | 9000 | 12000 |
| Fertilizers | 3800 | 3900 |
| Poultry Food | 1100 | 2300 |

|  |  |  |  |
| --- | --- | --- | --- |
| Purchases | Amount | Sales | Amount |
| Seed | 1250 | Cattle | 37500 |
| Cattle | 40000 | Egg | 15000 |
| Poultry | 15000 | Crops | 22500 |
| Fertilizers | 4000 | Poultry | 13000 |
| Cattle Feed | 14000 | Milk | 110000 |
| Poultry Feed | 3000 |  |  |

Additional Information:

1. Proprietor of the farm has consumed the following farm products during the year:

 Milk- Rs.1500

 Poultry- Rs.600

 Crops- Rs.1750

1. The following farm products were given to the workers in lieu of their remuneration:

 Milk- Rs.1750

 Poultry- Rs.1200

Crops- Rs.2400

1. Expenses during the year:

 Wages- Rs. 10000

 Insurance- Rs. 2000

 Depreciation- Rs. 8000

 Repairs- Rs.3000

 Interest on loan- Rs. 7000

1. The following is the Trial Balance of Mr. Govind as on 31.03.2016:

Particulars Debit Credit

Cash in hand 540

Cash at bank 12630

Purchases 140675

Sales 258780

Returns in ward 2680

Return out ward 1500

Wages 20480

Fuel and power 4730

Carriage on sales 3200

Opening stock 25760

Building 30000

Freehold premises 20000

Patent 7500

Salary 15000

General expenses 13000

Insurance 600

Drawings 15245

Capital 82000

Debtors 14500

Creditors 6300

Machinery 20000

Other information:

1. Closing stock Rs 26800
2. Machinery depreciation 10% and patent -20%
3. Outstanding salary Rs 1500
4. Prepaid insurance Rs 85
5. Provision on debtors 5%
6. Wages include Rs 2000 spend on the erection of the cycle shed.

Prepare Trading and profit and loss account and Balance sheet



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

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| --- | --- | --- |
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**(1 × 15= 15 marks)**