**SAINTGITS COLLEGE OF APPLIED SCIENCES,**

**Second Internal Examination [November 2018]**

**B.Com first Semester (Computer Applications & Taxations)**

**ANSWER SCHEME OF FINANACIAL ACCOUNTING**

1. The transaction between farm and farm households.
2. **Statement of Affairs** is a statement of assets and liabilities prepared on any date to find out the capital. It is prepared by those concerns which keep books under incomplete system.
3. **Normal Loss** is those losses which are unavoidable, expected loss which cannot be avoided at any cost with normal effort.
4. **The extra commission offered by consignor to the consignee for guaranteeing the entire amount of sales effected on consignment for bearing any bad debt.**
5. **Total Debtor Account** is prepared to ascertain Credit sales. If credit sale is available, sometimes any other item of debtors account may be missing which can be calculated through this account.
6. Insurance premium paid prepaid= 1200\*2/12= 200

Insurance prepaid a/c Dr 200

To insurance a/c 200

1. **Capital receipt** is amount received on account of capital introduced to the business, sale proceeds of fixed assets.
2. **Outstanding expenses** refer to those expenses which have become due during the accounting period for which final accounts have been prepared but have not yet been paid.
3. **Transfer of goods from one person to another for sale on commission on behalf of the person who sends the goods.**
4. **It is the statement prepared and send by the consignor to the consignee along with goods despacthed.**
5. **Assets having no realizable value are known as ficticious assets.**
6. .**An account sale** is periodical statement sent by the consignee to consignor showing the amount of gross sales, advance remitted,amount of expenses met etc..

**Section B**

1. Grouping means putting together items of similar nature under common heading .marshaling denotes the order in which assets& liabilities are shown in the balance sheet.
2. **a) Royalty :**it is a payment made by one person to another person for the use of right or ownership vested in the second person.

**b)Minimum Rent:** It is the minimum amount that should be paid by the lessee to the lessor in the particular period of lease, even if there is no output or the amount of output does not reach the level so fixed.

**c) Shortworking :** It is the excess of minimum rent over actual royalty calculated on the basis of output or sales.

**d) recoupment of short working**: The process of recovering short workings from the excess of royalties over minimum rent of future periods is known as recouping or recovery of shortwoking.

**e)Lessor & Lessee**: The person who lends the ownership right and receives payment as consideration is known as the **Lessor or landlord**

Lessee is the person who takes the property on lease and agrees to make payments to the owner of the asset is known as the **Lessee.**

1. When there is no del crdere commission :

Consignment a/c dr

To consignee (books of consignor)

Consignors a/c dr

To debtors (books of consignee)

When delcredere commission is paid

Bad debts a/c dr

To debtors (books of consignee)

1. **Limitation of Single Entry System**
2. It is unscientific
3. Errors not located
4. No trial balance
5. Financial statements not prepared
6. Amount receivables and payables not easily ascertained
7. Division of accounting work not possible
8. No office control
9. No check on honesty of employees
10. Not accepted by tax authorities
11. Fraud increases
12. Difficult to obtain bank loans

**Provision for discount on debtors account**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | particulars | amt | date | partculars | amt |
| 1 | To discount allowed  To Balance c/d | 800  600  1400 |  | By Balance b/d  By P&L a/c | 900  500  1400 |

**Profit and loss ac (Dr) Balancesheet**

|  |  |  |  |
| --- | --- | --- | --- |
| To Bad debts  + new bad debt  + new provision  Discount allowed  + new provision  -old provision | 1200  500  1000  800  600  900  500 | By bad debts recovered | 300 |

|  |  |
| --- | --- |
| Assets | Amt |
| Sundry Drs   * Bad debts * Provision for bad debts * Provision for discount | 21500  500  1000  600  19400 |

18.

|  |  |
| --- | --- |
| **Consignment** | **Sales** |
| \*Ownership is not transferred to consignee  \* The relationship is that of principal and debtor  \*Risk is not transferred to consignee  \*expenses are borne by consignor  \* right to return the unsold goods | \*Ownership is transferred to consignee  \* The relationship is that of seller and buyer  \*risk is transferred to the buyer  \*exp. Are borne by buyer  \* buyer cannot return the goods |

**19**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Yr | Output | Min Rent | Royalty@10 | Amt paid | Shortworkings | | | |
| 00  01  02  03  04  05 | 1600  2100  2800  2600  2700  2500 | 25000  25000  25000  25000  25000  25000 | 16000  21000  28000  26000  27000  25000 | 25000  25000  25000  25000  27000  25000 | 9000  4000  -  - | 3000  1000  -  - | 6000  3000  -  - | 9000  13000  4000  -  -  - |

1. **Consignment Account**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs | Particulars | Rs |
| To goods sent on consignment | 100000 | By S (90000+2000) | 92000 |
| To bank | 4000 | By goods sent on consignment | 20000 |
| To S | 1200 | By Insurance co | 5000 |
| To S | 5520 | By P & L (Abnormal loss) | 1520 |
| To stock reserve | 3000 | By stock | 15600 |
| To P&L | 20400 |  |  |
|  | 134120 |  | 134120 |

1. **Statement Of affairs 31-12-16**

|  |  |  |  |
| --- | --- | --- | --- |
| LiABILITIES | Rs | ASSET | Rs |
| Sundry crs  Capital | 5000  30000 | Cash in hand  Cash at bank  Debtors  Stock in trade  furniture | 3000  7500  12000  6500  6000 |

**Statement of Profit and loss**

|  |  |
| --- | --- |
| Capital  (+) drawings  (-) Fresh capital  (-)capital as on 1 st jan  Profit | 30000  6000  2000  25000  9000 |

**Section C**

1. **Gross Profit- Rs. 97000 Net profit- Rs. 70053 Balance sheet total- Rs. 250430**

**23.**

**Statement Of affairs**

|  |  |  |  |
| --- | --- | --- | --- |
| LiABILITIES | Rs | ASSET | Rs |
| Sundry crs  Capital | 100000  16850 | Cash in hand  Debtors  Stock in trade  furniture | 1850  8500  12500  4000 |

**Cash book**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amt | Particulars | Amt |
| To bal b/d  Sales  Debtors  commission | 1850  45000  56000  1500  272000 | Purchase  Creditors  Wages  Salaries  Rent  Business exp | 32000  41000  4300  4600  2400  2600  272000 |

**Total Debtors Ac**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| To bal B/d  sales | 8500  63700 | By cash  Bal c/d | 56000  16200 |

Total creditors ac

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| To cash  To bal c/d | 41000  11500 | Bal b/d  purchases | 10000  42500 |

Trading Ac and profit and loss

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| Opening stock  Purchases 32000+42500  Wages+ o/s  G/P  To salaries  Rent paid –adv paid  Business exp  Depreciation  Net profit | 12500  74500  4700  39000  **130700**  4600  2200  2600  400  30700  **40500** | **Sales**  **Closing stock**  **Gross profit**  **Commission received** | 108700  22000  **130700**  39000  1500  **40500** |

**Balancesheet Total : 59450**

**24. Cattle account**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| **To livestock opening**  **Chicken opening stock**  **Purchases**  **Chicks**  **Calves**  **Cattle food**  **Crop**  **Wages**  **Depreciation**  **Insurance**  **Net profit** | **80**  150  10  240 | 320000  150000  600000  300000  70000  50000  30000  15000  4000  217000  1756000 | By sales  Slaughtered cattle  Sales  Sales of chicks and chicken  carcasses  Livestock closing  Cattle waste sold | 75  30  5  130  240 | **500000**  **180000**  **500000**  **5000**  **550000**  **21000**  **1756000** |

25. Consignment A/C

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amt | Particulars | Amt |
| To goods sent  To bank  To N  To N  To N  To N  To P&L | 240000  4000  9800  16320  600  100  26380  297200 | By N  By stock | 272000  25200    297200 |

N&co

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amt | Particulars | Amt |
| To consignment | 272000  272000 | By B/R  By consignment  By consignment  By consignment  By consignment  By bank | 160000  9800  16320  600  100  85180  272000 |

Journal entries :

1. EXE& Co a/c Dr160000

To B/P 160000

1. EXE& Co a/c Dr9800

To bank9800

1. Bank a/c Dr240000

Debtorsa/c Dr 32000

To EXE& Co 272000

1. N a/c Dr 16320

To Commission 16320

1. N a/c Dr 600

To Debtors 600

1. Bank a/c Dr 2900

N a/c Dr 100

To Debtors 3000

1. Bad debts a/c Dr 1600

To Debtors 1600

1. N a/c Dr 85180

To Bank 85180