



B.Com. I Semester (NEP) Degree Examination, March/April - 2022

COMMERCE

Financial Accounting

Time : 3 Hours

Maximum Marks : 60

Instruction : Answer **all** the Sections.

SECTION - A

1. Answer the following sub-questions, each sub-question carries **one** mark. **10x1=10**
- Define Accounting.
 - What do you mean by compound journal entry ?
 - What is sole proprietorship ?
 - What are the demerits of sole proprietorship ?
 - Mention the parties in the consignment.
 - What is overriding commission ?
 - What is royalty ?
 - What do you mean by recoupment of short workings ?
 - What is Cloud Accounting ?
 - What is forensic accounting ?

SECTION - B

Answer **any four** of the following questions, each question carries **five** marks.

4x5=20

- Distinguish between cash basis and accrual basis for accounting.
- Avinash trading company, a manufacturer gives the following details of their workings, prepare manufacturing account of the concern for the year 2020.

Particulars	Amount
Opening stock of raw materials	40,000
Raw materials purchased	32,000
Factory rent	4,000
Wages paid	19,000
Factory manager salary	20,000



4. Ascertain the value of abnormal loss and value of closing stock :

Value of closing stock from the following particulars :

- (a) Oil supplied on consignment 12,000 kg at Rs. 18 per kg.
- (b) Packing and forwarding charges by consignor Rs. 12,000.
- (c) Oil stolen in transit 2,000 kg.
- (d) Oil sold by consignee 9,000 kg at Rs. 25 per kg.
- (e) Loss of oil due to evaporation during storing is 5%.

5. Calculate the commission from the following information :

- (a) Cost of goods sent on consignment Rs. 5,00,000.
- (b) Loading on goods sent at 20% on cost price.
- (c) Commission at 20% on sales plus 20% on excess amount realised over and above the invoice price of goods sold.
- (d) Goods sold for Rs. 8,00,000.

6. Mr. Pandit a professional author has entered into an agreement with popular publication house, Gadag on 01/01/2016 for publication and sale of books. The terms agreed were as under :

- (a) Royalty payable is at Rs. 20 per copy.
- (b) The author is to be paid the minimum rent of Rs. 60,000 p.a.
- (c) Each year's excess of minimum amount over Royalties earned is recoverable out of the surplus royalties of next two years only.

The following are the particulars :

Year ending	No. of Books sold
31/12/2016	2000 copies
31/12/2017	2800 copies
31/12/2018	3000 copies
31/12/2019	3200 copies
31/12/2020	4000 copies

Prepare the Royalty chart only.

7. What is outsourced accounting ? Explain the benefits of outsourced accounting.



SECTION - C

Answer **any three** of the following questions, each question carries **ten** marks.

8. Briefly explain the accounting concepts and accounting conventions in detail. **3x10=30**
9. From the following trial balance, you are required to prepare trading account, profit and loss account and balance sheet as on 31/03/2020.

Particulars	Debit	Credit
Capital	-	1,60,000
Drawings	10,000	-
Machinery	40,000	-
Buildings	60,000	-
Furniture	20,000	-
Purchases and Sales	1,60,000	2,40,000
Debtors and Creditors	80,000	60,000
Discount	2,000	4,000
Rent	12,000	-
Wages	8,000	-
Salary	18,000	-
Insurance	2,000	-
Interest	-	8,000
Cash	4,000	-
Bank overdraft	-	6,000
Printing	8,000	-
Bad debts	2,000	-
Bills receivable	10,000	-
Bills payable	-	4,000
Opening stock	26,000	-
Investments	20,000	-
	4,82,000	4,82,000

Additional information :

- (a) Closing stock Rs. 50,000
 (b) Rent outstanding Rs. 4,000
 (c) Salary paid in advance Rs. 2,000
 (d) Insurance prepaid Rs. 400
 (e) Interest accrued but not received Rs. 1,000
 (f) Depreciation on machinery at 10% and furniture at 5%
 (g) Appreciation on building at 10%



10. Mr. Mohan of Kolkata consigned 300 articles for Rs. 100 each to Mr. Harish of Mumbai. He paid Rs. 4,000 towards freight charges and Rs. 2,600 towards insurance and other charges. During the transit 20 articles were totally destroyed and the insurance company accepted the claims for Rs. 2,000.

Mr. Harish took delivery of the remaining articles and paid Rs. 940 towards unloading and cortege, Rs. 500 for advertisement and Rs. 100 for other expenses. He sold 220 articles at Rs. 200 each. He also reported a normal loss of 10 articles. The Harish is entitled to a commission at 5%.

Prepare the necessary ledger accounts in the books of both the parties.

11. Karnataka Company Ltd., took a coal mine on lease at a royalty of Rs. 2 per tonne of coal raised with a dead rent of Rs. 80,000 per annum subject to the right of recoupment of short workings in the next two years. In the event of strike, dead rent be reduced proportionately to the period of strike.

The output during the 5 years was :

Years	Output in tonnes
2015	20,000
2016	36,000
2017	50,000
2018 (strike for 3 months)	24,000
2019	60,000

Prepare the royalty payable chart and the necessary ledger accounts in the books of Karnataka Company Ltd.

12. Briefly explain the various factors/trends of big data analytics in accounting.

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