30. Global Readymade Limited has two departments, cloth and readymade clothes. Readymade cloths are manufactured by the firm itself out of cloth supplied by the cloth department at its usual selling rate. From the following figures, prepare departmental Trading and Profit and Loss Account and General Profit and Loss Account for the year ending 31st December 2018:

	Cloth Department	Readymade Cloth Department
Opening stock on 1.1.2018	3,60,000	60,000
Purchases	29,00,000	20,000
Sales	35,00,000	7,00,000
Transfer to Readymade clothes Department	4,50,000	---
Manufacturing Expenses	-----	1,40,000
Closing stock on 30.12.2018	1,00,000	48,000

General expenses incurred for both the department were Rs. 1, 20,000. The stock in the readymade clothes department may be considered as consisting of 66 2/3 % cloth and 33 1/3% other expenses. The cloth department earned profit at the rate of 18% in 2010.

31. M/w Bharat Enterprise Ltd. invoices goods to their various branches at cost, and the branches sell on credit as well as for cash. From the following details relating to Bangalore Branch, prepare necessary accounts in the books of head office:

Stock on 1st January, 2018	15,000	Allowances to customers	300
Stock on 31st December 2018	14,000	Returns from customers	600
Debtors on 1st January, 2018	25,000	Bad debts written off	500
Debtors on 31st December, 2011	35,000	Discount allowed to customers	2,000
Cash at branch on 1st Jan 2011	500	Remittance from branch	70,000
Cash sent to branch	1,500	Rent and taxes	1,500
Goods sent to branch	50,000	Wages and salaries	5,000
Goods returned by branch	500	General Trade charges	1,500
Cash sales	32,000	Normal loss of goods due to wastage	1000
Credit sales	58,000	Abnormal Loss of goods due to pilferage	2000

(2 × 15 = 30 Marks)

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20U156S (Pages: 4) Name: ……………………..

Reg. No…………..……….

FIRST SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV. 2019

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP1 B01 - PRINCIPLES AND PRACTICE OF ACCOUNTING

(Core Course)

(2017 Admission onwards)

Time : Three Hours Maximum : 80 Marks

Part A

Answer ***all*** questions. Each question carries 1 mark.

I. Choose the correct answer:

1. Accounting Standards Board was set up in India in the year
   a) 1964 b) 1975 c) 1977 d) 1978
2. The principle of segregating capital expenditure and revenue expenditure is based on :
   a) Accounting period concept b) Realisation concept
   c) Matching concept d) Cost concept
3. In the absence of any agreement partners will share profit and losses in the ………… ratio.
   a) Gaining b) Equal c) Sacrificing d) Capital
4. Share of goodwill brought in by the incoming partner in cash is called …………
   a) Capital b) Premium c) Assets d) Profit
5. Which of the following is not essential requirement of a valid promissory note?
   a) Acceptance b) Consideration
   c) Specific sum payable d) Writing

II. Fill in the blanks:

6. Department accounts are prepared to know separately the ………… of each department.
7. According to the ………… concept, revenue is considered as being raised on the date at which it is realised.
8. ………… loss is an avoidable loss because it does not arise due to the nature of the goods.
9. Decrease in the value of liabilities is ………… to revaluation account.
10. Partners salary debited to ………… account

(10 × 1 = 10 Marks)

 Turn Over

Part B

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

11. What is Debtors System?
12. What do you mean by fluctuating capital?
13. What is Del Credere commission?
14. A has spent Rs 20,000 on account for the venture with B. What journal entry will you pass:
    a) When separate set of books are kept for the joint venture
    b) When records are kept by A and B separately.
15. How do you close the Creditors Account when all the partners are insolvent?
16. Who is consignee?
17. What is dual pricing?
18. What is partnership deed?
19. What is goods in transit?
20. What is Account Sales?

(8 × 2 = 16 Marks)

Part C

Answer any ***six*** questions. Each question carries 4 marks.

21. What is the difference between dissolution of the firm and partnership dissolution?
22. Explain the various methods of valuing goodwill.
23. Prepare Bank Reconciliation Statement of Ravinadh Singh as on 31^{st} march 2017 from the following information.
    (a) Balance as per Pass Book (credit) Rs.60,000
    (b) Cheque of Rs 3,000 received from a customer and deposited in the bank was dishonored and advice of nonpayment was not received from a bank.
    (c) Cheque issued but not cashed before 31^{st} march amounted to Rs 3,375.
    (d) A cash deposited of Rs.375 was omitted to be recorded in the bank column of Cash Book
    (e) Dividends of Rs.150 collected by the bank and subscription of Rs.50 paid by were not recorded in the Cash Book
    (f) Cheque of Rs.750 which had debited to bank account was not sent to the bank.
    (g) One outgoing cheque of Rs.488 was recorded twice in the cash book.
24. Raj sold goods to Sujatha for Rs. 15,000. Sujatha owed Rs. 15,000 to Raj, on 5^{th} March, 2016 and paid 25% cash immediately and accepted a bill drawn for Rs. 10,000 for one month drawn by Raj. On 7^{th} March, 2016 endorsed the bill to his creditor Rajesh immediately. The bill was duly met on the due date. Pass Journal entries in the books.

25. How will you treat normal loss of goods in consignment accounts?
26. Write the rule laid down in Garner Vs Murray. Is it applicable in India or not?
27. Pass necessary Journal Entries to rectify the following errors.
    i) Credit purchases from Manisha Rs. 20,000 were not recorded.
    ii) Credit purchases from Manisha Rs.20,000 were recorded as Rs.10,000
    iii) Credit purchases from Manisha Rs. 20,000 were posted to the debit of Raghu's account.
    iv) Credit purchases from Manisha Rs20,000 were recorded through sales book.
    v) Cash sales to Rajat, Rs 340 debited as Rs 430
    vi) A credit sale to Ram, Rs.82 posted as 28
    vii) Credit sale of furniture to Raj for Rs. 650 debited as Rs. 340
28. X consigned 100 packets of Tea each costing Rs. 300 to his agent at Chennai. He paid Rs.500 towards freight & insurance. 15 packets were destroyed on the way. Consignee took delivery of the remaining packets and spent Rs.700 as godown rent, Rs.1000 as clearing charges and Rs 300 as carriage outwards. You are required to calculate the cost of damage and cost of stock at the end if the agent sells away 70 packets.

(6 × 4 = 24 Marks)

Part D

Answer any ***two*** questions. Each question carries 15 marks

29. A, B, C and D are partners sharing profit in the ratio of 2:2:1:1. Their Balance Sheets as on 31-12-2017 was as follows

Liabilities		Amount	Assets	Amount
Capital Accounts:			Fixed Assets	20,000
A	14,000		Debtors	10,000
B	12,000		Cash at bank	2,000
C	2,000		Profit & Loss A/c	12,000
D	1,600			
		29,600		
Creditors		12,000		
Bills payable		2,400		
		44,000		44,000

On 1^{st} Jan 2018 the firm was dissolved. All the assets except cash were realized for Rs. 24,800. Realisation expenses were Rs. 200. All the liabilities were discharged at book values. C became insolvent and he could not bring anything from his private estate. Prepare the dissolution accounts applying Garner Vs Murray decision.