

On 31st December 2018, the club had investments worth Rs 20000, Furniture Rs 14000 and sports equipments valued at Rs 40000.

Prepare Income and Expenditure Account for the year ended 31st December, 2019 and a Balance Sheet as on that date after depreciating furniture by 10% and sports equipments by 15%.

31. From the following trial balance of Mr. Mohan and other particulars given, prepare Trading and Profit and Loss Account for the year ended 31st December, 2019 and a Balance Sheet as on that date.

Trial Balance			
Particulars	Debit (Rs)	Particulars	Credit (Rs)
Plant and Machinery	23000	Sundry creditors	10500
Cash in hand	150	Commission	5500
Cash at bank	1250	Sales	155000
Trade expenses	1100	Bills payable	6000
Sales returns	5000	Purchase returns	1200
Salaries	2500	Discount received	800
Carriage outwards	500	Capital	86000
Rent	2000	Rent outstanding	500
Insurance premium	2000		
Advertisement	2000		
Purchase adjusted	129500		
Discount allowed	1000		
Stock on 31-12-2019	10000		
Sundry debtors	32000		
Business premises	34000		
Drawings	5000		
Direct wages	7000		
Indirect wages	1500		
Bills receivable	2500		
Commission outstanding	500		
Depreciation on Business Premises	1000		
Income Tax	2000		
	265500		265500

Adjustments

- Goods of the cost of Rs 500 were given as free samples.
- Provide 5% for doubtful debts and 2% for discount on debtors.
- Commission to be provided for works manager at 5% of gross profit.
- A fire occurred on 28th December 2019 in the godown and stock of the value of Rs 2500 was destroyed. It was fully insured and the insurance company admitted the claim in full.
- Transfer 4% of net profit to reserve

(2 x 15 = 30 Marks)

(4)

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Name.....

Reg. No.....

SECOND SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, APRIL 2020

(CUCBCSS – UG)

CC15U BC2 B02/CC15U BB2 B02 – FINANCIAL ACCOUNTING

(Commerce - Core Course)

(BBA 2015 Admission onwards and B.Com. 2015 Admissions only)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions each question carries 1 mark.

Choose the correct answer:

- Balance in goods sent to branch a/c is transferred by the HO to
 - Debit side of P&L a/c
 - Credit side of P&L a/c
 - Debit side of trading a/c
 - Credit side of trading a/c
- Provision for unrealized profit is created when there is
 - Interdepartmental transfer at selling price
 - Interdepartmental transfer at cost price
 - Interdepartmental transfer at a loss
 - None of these
- Contra entries appear in
 - Journal
 - Journal proper
 - Ledger
 - Triple Column Cash book
- Subscription received in advance is
 - an income
 - an asset
 - a liability
 - an expense
- What is the accounting treatment for goods sold but not delivered and included in the stock?
 - Add it along with closing stock
 - Deduct it from closing stock
 - Deduct it from sales
 - No treatment is required

Fill in the blanks:

- represents the excess of assets over liabilities in the case of a non-profit organization
- The excess of hire purchase price over cash price is accounted as -----
- Bad debts written off earlier and subsequently recovered is credited to -----
- Deferred revenue expenditure is ----- in nature
- Free samples given to customers is debited to ----- a/c.

(10 x 1 = 10 Marks)

Part B

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

- Define capital receipt
- What is hybrid system of accounting?
- What are contingent assets?
- What is legacy?
- What is cash price?
- Explain wholesale branch system
- How will you calculate Room Occupancy Rate?

(1)

Turn Over

18. What is Invoice Price?
 19. What is meant by Dual Aspect Concept?
 20. What you mean by down payment?

(8 x 2 = 16 Marks)

Part C

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

21. Distinguish between Income and Expenditure a/c and Receipts and Payments a/c.
 22. What are the limitations of single entry system?
 23. Give journal entries for incorporating branch trial balance in H.O books.
 24. From the following Receipts and Payments account of Kennedy club for the year ending 31/12/2019. Prepare Income and Expenditure a/c.

Receipts and Payments a/c

Receipt		Payments	
To Balance b/d	2500	By Salaries	800
Subscription	5500	Rent	900
Donations	650	Postage & Telegram	150
		Stationery	90
		Investments	4000
		Sundry expenses	350
		Balance c/d	
		Cash	1650
		Bank	710
	8650		8650

Adjustments

- Subscription outstanding at 31/12/2019 amounted to Rs 500
 - Subscription received include Rs 200 for 2018
 - Salaries unpaid at 1stJan 2019 Rs 150 and at 31/12/2019 Rs 100
 - Rent paid in advance to the extent of Rs 75 at 31/12/2019
 - One half of the donation should be capitalized.
25. Shyam electronics purchased a Music System on 1/1/2015 on hire purchase system paying Rs 75000 down and agreeing to pay Rs 75000 each on 31/12/2015, 31/12/2016 and 31/12/2017. The cash price of the music system is Rs 246000 and vendor charges interests @ 15% p.a. The purchaser writes off depreciation at 10% p.a. on diminishing balance.
 Give Journal entries and Ledger accounts in the books of both the parties.

26. Prepare branch a/c to ascertain branch net profit.

	Rs.
Goods sent to branch	86000
Goods returned by branch	1000
Cash sales	147800
Expenses of branch met by H. O.	4700
Stock at branch on 31/3/2019	14800

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27. Omar Ltd. has 2 departments A and B. The following details for the year ended 31/3/2019 are given

	Dept. A	Dept. B
	Rs	Rs
Stock on 1/4/2018	82000	103000
Purchases	255000	412000
Sales	426000	810000
Manufacturing expenses	-----	30000
Wages	30000	10000
Stock on 31/3/2019	30000	40000

Goods costing to Rs 40000 is transferred from Dept. A. Wages of Dept. B include Rs 5000 incurred for Dept. B. General expenses Rs 30000 to be apportioned in the ratio of 3:1. Prepare Departmental Trading & P&L a/c.

28. Calculate rent chargeable per day per room from the following information of a 3 star hotel at Simla if the occupancy rate is a) 100% b) 90%
- Number of room available for guests – 45
 - Estimated cost of operation per month Rs 1500000
 - Profit expected -60% on cost

(6 x 4 = 24 Marks)

Part D

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

29. What do you mean by Accounting Standards? State the advantages and limitations of accounting standards. Also explain the functions of Accounting Standard Board of India.
 30. Following is the Receipts and Payments accounts of Majestic Club, for the year ending 31st December, 2019.

Dr.		Cr.	
Receipts	Amount (Rs)	Assets	Amount (Rs)
To Balance b/d	4200	By Rent	11000
Subscriptions	62000	Salaries	28000
Interest	600	Sundry expenses	4000
Donation (General Purpose)	7000	Investment purchased	25000
Donation for Building fund	50000	Newspapers	1000
Miscellaneous receipts	1200	Sports equipment (30-06-2013)	30000
Sale of grass	400	Balance c/d	26400
	125400		125400

Subscriptions outstanding at the end of 2018 were Rs 4500 and at the end of 2019 were Rs 8500. Salaries outstanding at the end of 2018 and at the end of 2019 were Rs 3500 and Rs 4500 respectively.

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Turn Over