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SN – 580

I Semester B.Com. Examination, Nov./Dec. 2014
(2012-13 and Onwards) (Repeaters)
COMMERCE

1.3 : Financial Accounting – I

Time : 3 Hours

Max. Marks : 100

Instruction : Answers should be written completely **either** in **English** or in **Kannada**.

SECTION – A

Answer **any 10** sub-questions from the following. **Each** question carries **2** marks. (10×2=20)

1. a) Define accounting.
- b) Write two objectives of accounting.
- c) Mention any two disadvantages of single entry.
- d) Write any two differences between a statement of Affairs and Balance Sheet.
- e) State two differences between Hire Purchase System and Installment Sale System.
- f) Is repossession of an asset sold under Installment System possible ? Why ?
- g) What is Hire Purchase System ?
- h) Define short workings.
- i) What is Dead Rent ? Why this clause is included in the royalty agreement ?
- j) What is purchase consideration ? Mention the methods of calculating purchase consideration.
- k) Mention two objectives of conversion of a firm into a limited company.
- l) What is Realisation A/c ? and how it is closed ?

SECTION – B

Answer **any four** questions from the following. **Each** question carries **8** marks. (4×8=32)

2. Write any 4 functions of accounting.

3. Ascertain Credit Purchases and Credit Sales from the following :

Sundry Debtors on 1-1-2009	–	₹ 25,600
Sundry Debtors on 31-12-2009	–	₹ 19,600
Sundry Creditors on 1-1-2009	–	₹ 15,200

P.T.O.



Sundry Creditors on 31-12-2009	–	₹ 18,060
Cash received from Debtors	–	₹ 12,800
Cash paid to Creditors	–	₹ 3,500
Discount allowed	–	₹ 700
Discount received	–	₹ 500
B/R received from Debtors	–	₹ 2,500
B/P accepted from Creditors	–	₹ 11,740
Bad debts	–	₹ 600
B/R dishonoured by Debtors	–	₹ 800

4. Mr. Chandra wrote a Textbook on Business Management and got it published from Himalaya Book House on 1-1-2000 on the following terms :

Royalty ₹ 10 per copy sold

Minimum Rent ₹ 50,000 p.a.

Recoupment of short working during the first four years. Other details are :

Year	No. of copies printed	Closing stock
2000	3000	1000
2001	4000	2000
2002	8000	3000
2003	5000	1500
2004	6000	500

Prepare an analysis table.

5. On 1st January, 2000, Ranjith purchased a machinery from Raghav on hire purchase basis. The details are as follows :

- Cash price ₹ 30,000
- ₹ 8,000 to be paid on signing the contract
- Balance in three installments of ₹ 8,000
- Rate of interest at 5%.

Calculate the interest paid by Ranjith and also prepare Raghav's A/c in the books of Ranjith.

