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I Semester B.Com. Examination, November/December 2015  
(Semester Scheme) (2012-13 & Onwards) (Repeaters)

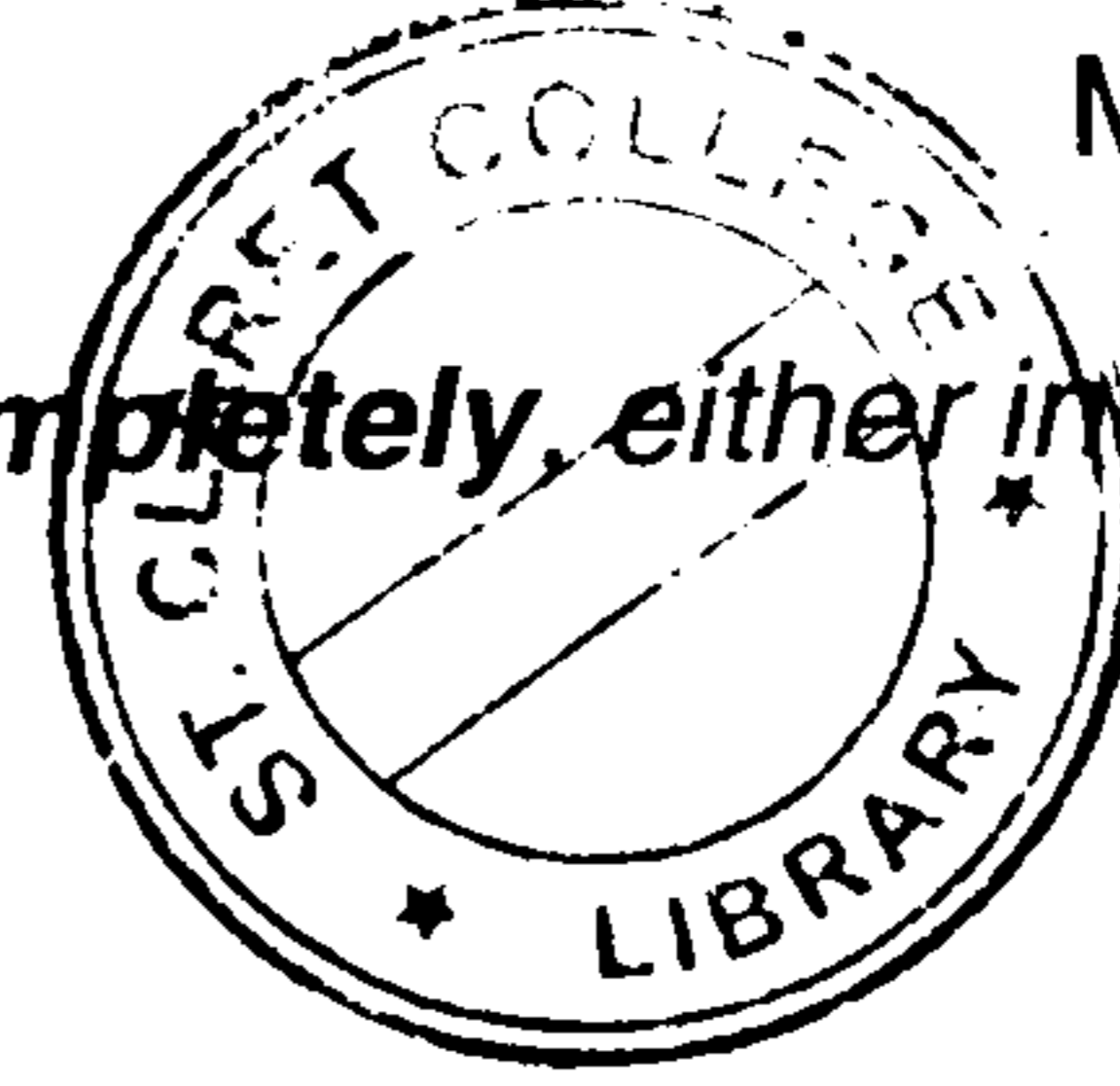
Commerce

## 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 Book-keeping.
- b) Give any two merits of Accounting.
- c) State any two features of Hire Purchase System.
- d) What do you mean by Dead rent ?
- e) State any two objectives of sale of a firm to a company.
- f) Give the meaning of Hire Purchase System.
- g) What is meant by recoupment of short workings ?
- h) What journal entry is passed to record Irrecoverable short workings in the books of tenant ?
- i) Mention any two demerits of Single Entry System.
- j) How do you treat the asset of a firm not taken over by the new firm ?
- k) What is realisation account ?
- l) Why is minimum rent clause included in the Royalty agreement ?

## SECTION – B

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

2. What are the functions of accounting ?
3. A company taken over the following assets and liabilities from a firm.

	<b>Rs.</b>
Land and Buildings	45,000
Plant and Machinery	20,000
Stock	20,000
Debtors	23,000
B/R	16,000
Current liabilities	28,800

The value of Goodwill is fixed at 28,800

Calculate the purchase consideration which is payable in 10,000 equity shares of Rs. 10 each and the balance in cash.

4. Prepare analytical table and short working A/c from the following details.
  - a) Minimum Rent Rs. 40,000 P.A.
  - b) Royalty payable Rs. 5 per ton.
  - c) Short working can be recovered during first four years only.
  - d) The production for the first four years were as follows :

2006	4,000 tons
2007	6,000 tons
2008	8,000 tons
2009	9,000 tons.

5. Calculate the cash price of an asset from the following details.

Down payment Rs. 4,500.

1<sup>st</sup> Installment Rs. 4,200. 2<sup>nd</sup> Installment Rs. 3,900. 3<sup>rd</sup> Installment Rs. 3,600.  
4<sup>th</sup> Installment Rs. 3,300. Rate of Interest 10% P.A.

6. Ascertain credit purchases and credit sales from the following.

Sundry debtors on 1-1-2010	14,000
Sundry debtors on 31-12-2010	10,000
Sundry creditor on 1-1-2010	8,000
Sundry creditor on 31-12-2010	9,500
Cash received from debtors	6,400
Bills receivables dishonoured	400
Cash paid to creditors	2,000
Discount allowed	400
Discount received	200
B/R received from Debtors	2,500
B/P accepted from creditors	5,800
Bad debtor	300

SECTION – C

Answer any three questions. Each question carries 16 marks.

(3×16=48)

7. M/s XYZ Co. Ltd. took a land on lease for a period of 25 years on 1-1-2010 on a Royalty of Rs. 40 per ton with a minimum rent of Rs. 4,00,000 and short working can recoup during the first 4 years. The annual output was as follows.

2010 – 5,000 tons. 2011 – 8,000 tons. 2012 – 10,000 tons. 2013 – 15,000 tons. 2014 – 20,000 tons. Prepare necessary Ledger Accounts.

8. Lakshmi and Sujana are partners sharing profits in the ratio of 2 : 1 and their Balance Sheet on 31-3-2013 was as follows.

Liability	Rs.	Assets	Rs.
Creditors	20,000	Cash	150
Bills payable	5,000	Bills Receivable	2,500



Lakshmi's loan	10,000	Debtors	30,000
<b>Capital :</b>		Less RBD	1,500
Lakshmi	15,000	Stock	21,850
Sujana	10,000	Machinery	10,000
Reserve fund	3,000		
	<b>63,000</b>		<b>63,000</b>

They agreed to sell the business to a Ltd. Co. and the company to take over assets including cash and liabilities as follows. Machinery Rs. 8,000, Stock Rs. 17,500, Debtors 25,350. Bills receivable Rs. 2,500. Goodwill Rs. 3,000. The company agreed to take over creditors at Rs. 19,500. The expenses of Realisation Rs. 150. Prepare necessary ledger A/c in the books of the firm.

9. Mr. Ganesh purchased a car on hire purchase system. The total cash price of the car is Rs. 15,98,000 payable Rs. 4,00,000 down and 3 installments of Rs. 6,00,000, Rs. 5,00,000 and Rs. 2,00,000 payable at the end of first, second and third year respectively. Interest is charged at 5% P.A.. Rate of depreciation is 25% P.A. on diminishing balance method.

Prepare necessary accounts in the books of Mr. Ganesh.

10. Mr. Bhaskar did not maintain his books of A/c properly. From the following data supplied to you prepare Final Accounts for the year ended 31-12-12.

O.P. stock	10,000	Cash paid to creditors	36,000
Creditors 1-1-12	4,000	Cash purchases	4,000
Cash on 1-1-12	6,000	Credit purchases	60,000
Furniture on 1-1-12	2,000	Closing stock	8,000
Salaries	6,800	Debtors on 31-12-12	24,000
Rent	2,400	Drawings	8,000
Other expenses	4,800	Discount allowed	2,000
Cash salary	8,000	Donation given to PM's	
Cash received from debtors	64,000	drought relief fund	2,000

Rate of Gross profit on sales 25%.