



REG. No:
DATE: 09-01-2020

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BENGALURU-27
B.COM - I SEMESTER

SEMESTER EXAMINATION: JANUARY 2021
BC / BPS 1118: FINANCIAL ACCOUNTING-I

Time- 2 1/2 hrs

Max Marks-70

This paper contains 2 printed pages and four parts

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

- 1) What do you understand by accounting conventions?
- 2) What is shortworkings?
- 3) State two features of Consignment?
- 4) What is Del Credere Commission?
- 5) List any 4 differences between Hire Purchases System and Instalment system.
- 6) What is Quasi Single Entry System ?

SECTION B

Answer any THREE of the following questions. Each question carries five marks. (3x5=15)

- 7) What do you mean by Accounting Conventions? Explain the different types of accounting conventions.
- 8) Mr. Virat purchased a washing machine from a retailer on January 1, 2020 paying immediately Rs. 10,000 and agreeing to pay three instalments of Rs. 10,000 each on 31 December every year. The cash price of the washing machine is Rs. 37,250 and vendors charges interest at 5% p.a. Calculate the amount of interest paid by Mr. Virat to the retailer every year
- 9) Distinguish between Single Entry System and Double Entry System?
- 10) X sent to Y 20 articles costing Rs. 300 per article. He paid Rs. 2,000 as freight and cartage. In the course of transit 50 articles were destroyed. Y received 150 articles and paid 1,500 as unloading and carriage. Y sold 100 articles at Rs. 400 per article. Calculate value of abnormal loss and stock

SECTION C

Answer any TWO of the following questions. Each question carries fifteen mark (2x15=30)

- 11) Sham of Mumbai consigned to Sundar of Bangalore 320 goods costing Rs. 180 per good to be sold on consignment. He paid Rs. 500 for loading, Rs. 300 for carriage and Rs. 200 for insurance. A bill for Rs. 12,000 was received from Sundar in advance. This bill was discounted by Sham at Rs. 11,800. Sundar paid Rs. 600 for unloading, Rs. 300 for cartage and Rs. 300 for advertisement. He returned 20 defective goods to Sham. He sold remaining goods for Rs. 64,000. He is entitled to a commission of 6 1/2 % on gross sales. He is settling his account through a Bank draft. Pass the necessary journal entries in the books of Sham
- 12) Rajeev Minerals took a lease of Iron mine for a term of 5 years from 1st January, 2018 on a minimum rent of Rs. 2,000 per year merging into a royalty of Rs. 10 per ton of iron inguts raised payable quarterly on 31st March, 30th June, 30th September and 31st December every year. Short workings can be recouped only during the first 2 years of the lease. Rajeev Mineral closes its books on 31st December every year. Iron inguts is as follows:

31 st March	2018	150 tons
30 th June	2018	180 tons

30 th September	2018	220 tons
31 st December	2018	210 tons
31 st March	2019	160 tons
30 th June	2019	250 tons
30 th September	2019	200 tons
31 st December	2019	220 tons

Prepare necessary ledger accounts in the Books of Rajeev Minerals.

13. Mr. Srinivas carries on small business but he does not maintain a complete set of accounts book. He banks all receipts and makes all payments by cheque. The following are the particulars obtained from the records. Receipts and Payments for year ended 31.3.2020

Receipts	Amount	Payments	Amount
Cash from debtors	35,250	Furniture	1,250
Cash sales	8,250	Drawings	3,000
Additional capital	5,000	Wages	13,450
		Salaries	2,650
		Rent	2,400
		Sundry expenses	5,200
		Paid to creditors	15,250
Assets and Liabilities		1.4.2011	31.3.2012
Furniture		15,000	15,500
Sundry debtors		7,500	12,250
Stock		12,500	6,250
Bank		1,250	?
Sundry Creditors		5,050	4,800

Provide reserve for doubtful debts Rs.500. From the above particulars prepare Trading and Profit & Loss account for the year ended 31.3.2020 and the Balance Sheet as on that date.

SECTION D

Answer the following compulsory question. The question carries fifteen marks. (1x15=15)

14. Rajiv buys a motor car on 1.4.2015 under hire purchase system, the terms of payments are as follows: Rs.2000 to be paid on signing agreement, Rs.2800 at the end of the 1st year, Rs.2600 at the end of 2nd year, Rs.2400 at the end of 3rd year, and Rs.2200 at the end of 4th year. If the interest is charged at the rate of 10% p.a. what was the cash price of the motor car? And also show the necessary ledger accounts under asset accrual method if the rate of depreciation is 20% p.a. on reducing balance method. Suggest as to whether Rajan should buy the motor car on hire purchases or installment system?