



I Semester B.Com. Examination, November/December 2015
(F+R) (CBCS) (2014 - 15 and Onwards)
COMMERCE

1.3 : Financial Accounting

Time : 3 Hours

Max. Marks : 70

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

SECTION - A

1. Answer **any five** sub-questions. **Each** sub-question carries **two** marks. (5×2 = 10)
- Mention any two methods of calculating purchase consideration.
 - What is Royalty ?
 - List out any two benefits of conversion of single entry system into double entry system.
 - What do you mean by Accounting Standards ?
 - Give the meaning of down payment.
 - What is recoupment of Shortworking ?
 - Who is a hirer ?

SECTION - B

Answer **any three** questions. **Each** question carries **six** marks. (3×6 = 18)

- What are the functions of Financing Accounting ?
- Calculate the interest included in each installments
Cash Price = Rs. 60,000
Down payment = Rs. 18,000
Three annual installments of Rs. 24,000, Rs. 18,000 and Rs. 12,000 respectively payable at the end of each year.
- Prepare an Analytical Table of Royalty from the following details :
Minimum Rent Rs. 25,000 p.a.
Royalty Rs. 2 per ton of ore raised
Shortworkings are recoverable during the first three years of the lease only.
The output for the first four years is as follows :
I year 3,000 tons, II year 10,000 tons, III year 30,000 tons and IV year 35,000 tons.



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SECTION – B

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P.T.O.



5. Calculate the amount of purchase consideration from the following details
 The purchasing company agreed to issue 10,000 Equity shares of Rs. 10 each at 25 per share, 1,000 9 % preference share of Rs. 100 at par, 1,000 10 % Debentures of Rs. 100 each at a discount of 10 % and to pay cash equal to 20 % of total purchase consideration.

6. Ascertain the value of stock at the beginning :

Purchases Rs. 1,20,000

Direct wages Rs. 80,000

Sales Rs. 5,00,000

Stock at the end Rs. 45,000

Rate of gross profit is 25 % on cost.

SECTION - C

Answer **any three** questions. **Each** question carries **fourteen** marks.

(3×14 = 42)

7. A mining company leased a property from 'X' at a royalty of Rs. 10 per ton with a minimum rent of Rs. 24,000 p.a. Each years excess of minimum rent over royalty is recoverable out of royalties of next three years. The results of the workings are as follows :

I year 2000 tons

II year 3000 tons

III year 4000 tons

IV year 5600 tons

V year 6000 tons

Prepare necessary Ledger A/cs. in the books of the company for five years.

8. On 1st January 2014 Miss Jayanthy purchased a washing machine from Royal enterprises on hire purchase basis. The cash price of the machine was Rs. 60,000, payable Rs. 12,000 on signing the agreement and the balance in four annual installments of Rs. 12,000 plus interest at 15 % p.a. payable on 31st December each year. Jayanthy writes off depreciation at 10 % p.a. on diminishing balance method. Show the necessary Ledger A/cs. in the books of Jayanthy.



9. A, B and C were in partnership sharing profits and losses in the ratio of 4 : 3 : 1 respectively. On 31st March 2014 they agreed to sell their business to a limited company. Their position on that date was as follows :

List of Asset & Liabilities

Liabilities	Rs.	Assets	Rs.
Creditors	16,000	Land and Building	36,000
Loan from Bank	8,000	Furniture	24,000
Capital A/c		Debtors	30,000
A	40,000	Stock	26,000
B	30,000	Cash	4,000
C	26,000		
	1,20,000		1,20,000

The company took the following assets at the valuation shown below :

Land and Building	Rs. 44,000
Furniture	Rs. 22,000
Debtors	Rs. 28,000
Stock	Rs. 24,000
Goodwill	Rs. 8,000

The company also agreed to pay creditor which was agreed at Rs. 15,400.

The company paid 3,300 shares of Rs. 10 each and the balance in cash. The expenses amounted Rs. 1,000. Prepare the necessary ledger accounts in the books of the firm.

10. Sri Ram a trader maintains his books under single entry system. He submits the following information.

a) **Assets and liabilities**

	1-4-14	31-3-15
	Rs.	Rs.
Cash	20,000	?
Debtors	72,500	80,000
Creditors	62,500	72,500
Furniture	20,000	20,000
Plant and machinery	40,000	38,000
Stock	30,000	42,000



b) **Cash transactions during the year 2014 - 15**

Cash from debtors	Rs. 6,20,000
Cash paid to creditors	Rs. 4,80,000
Wages	Rs. 24,000
Salaries	Rs. 16,000
Rent	Rs. 18,000
Drawing	Rs. 16,500
Cash purchase	Rs. 24,000
Cash sales	Rs. 36,000
Carriage outwards	Rs. 10,000

c) **Other details**

Bad debts	Rs. 3,200
Purchase returns	Rs. 6,200

Stock worth Rs. 6,000 was utilised by Sri Ram for personal use.

Prepare the final accounts for the year ending 31-3-2015.

11. a) A mining company took a lease from a land lord for a period of 20 years from 1st July 2010. On a royalty of Rs. 10 per ton. of Iron ore raised with a minimum rent of Rs. 20,000 and power to recoup shortworking during the first four year of the lease. The annual output was as under

I year 1000 tons

II year 1500 tons

III year 2000 tons

IV year 2250 tons

V year 2500 tons

Prepare Shortworking account in the books of company.

- b) Ascertain credit sales from the following :

Opening debtors	Rs. 75,500
Cash received from debtors	Rs. 6,18,500
B/R received	Rs. 24,000
Sales returns	Rs. 8,600
Bad debts	Rs. 6,800
B/R dishonoured	Rs. 3,800
Discount allowed	Rs. 2,000
B/R discounted with bank	Rs. 4,500