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BCMCMCN 101

**I Semester B.Com. Examination, April/May 2022
(NEP 2020) (2021 – 22 Batch Onwards)
FINANCIAL ACCOUNTING – I
(DSCC)**

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any five** of the following questions :

(2×5=10)

1. What do you mean by Liabilities ?
2. State any two objectives of Accounting Standard.
3. What do you mean by accounting conventions ?
4. Why do we prepare a Balance Sheet ?
5. Give the meaning of Proforma Invoice.
6. What are shortworkings ?
7. Give the meaning of forensic accounting.
8. List out any four recent trends in accounting.

SECTION – B

Answer **any four** of the following questions :

(5×4=20)

9. Write a note on accounting process.
10. Explain big data analysis in accounting.
11. How will you treat the following while preparing the final accounts if they appear in the adjustment ?
 - a) Loss on sale of Machinery
 - b) Income tax paid
 - c) Accrued income
 - d) Goods distributed as free sample
 - e) Interest on drawings.

P.T.O.



12. From the following information prepare Manufacturing Account for Mr. Ben for the year ending 31-3-2021

	1-4-2020	31-3-2021
	₹	₹
Inventory		
Raw Material	3,20,000	2,40,000
W-I-P	1,20,000	1,00,000
Finished Goods	2,50,000	3,00,000
Other details		
Carriage on purchases		22,000
Sale of Scrap		40,000
Purchase of Raw Material		8,00,000
Factory expenses		70,000
Motive power		35,000
Manufacturing wages		1,00,000

13. Mr. Manoj consigned to Mr. Manish 10,000 kgs. of flour costing ₹ 1,00,000. He spent ₹ 10,000 forwarding charges. 2% of the consignment was lost in weighing and handling which is considered as normal. Mr. Manish sold 9,200 kgs. of flour at ₹ 15 per kg. His selling expenses being ₹ 20,000 and commission at 5% on sales. Calculate the value of consignment stock.

14. From the following information prepare Minimum Rent Account, when minimum rent specified in the royalty agreement is ₹ 3,00,000.

Year	Royalty (₹)
2018	2,10,000
2019	2,70,000
2020	3,00,000
2021	3,50,000



SECTION – C

Answer any two of the following questions :

(15×2=30)

15. List out the procedure for issuing Accounting Standards by Institute of Chartered Accountants of India and bring out the powers of National Financial Reporting Authority.

16. The following is the Trial Balance of Likith Traders as on 31st March 2021.

Particulars	Debit (₹)	Credit (₹)
Opening Stock	20,000	—
Purchases	85,000	—
Sales	—	1,40,000
Goodwill	7,500	—
Cash in Hand	2,000	—
Investments	5,000	—
Machinery	15,000	—
Bad Debts	3,000	—
Provision for Bad Debts	—	3,500
Rent	15,000	—
Salaries	5,000	—
Freight and Carriage	9,500	—
Debtors and Creditors	45,000	25,000
Printing and Stationery	3,000	—
General Expenses	3,500	—
Capital	—	50,000
	2,18,500	2,18,500

Prepare Trading and Profit and Loss Account for the year ending 31-3-2021 and a Balance Sheet as on that date after the following adjustments :

- 1) Closing Stock ₹ 23,500.
- 2) Manager is entitled to get a commission of 10% of net profits before charging such commission.
- 3) Provide provision for bad debts ₹ 1,000.



17. On 1-1-2017 Punjab Minerals Ltd., leased a colliery from Chethan. The company agreed to pay minimum rent of ₹ 2,00,000 in 2017, ₹ 4,00,000 in 2018 and ₹ 6,00,000 thereafter per year merging into a royalty of ₹ 40 per ton with the power to recoup shortworkings over the first three years of the lease only. The annual output for first five years was as under :

Year	Output (Tons)
2017	Nil
2018	7,000
2019	21,000
2020	24,000
2021	25,000

Prepare in the books of Punjab Minerals Ltd. Minimum Rent Account, Royalty Account, Shortworkings Account and Chethan's Account.

18. Kavitha Radio Co. Ltd. of Delhi dispatched 1,000 radio sets costing ₹ 600 each to Varsha & Co. Mangalore. The Kavitha Radio Co. Ltd. incurred the following expenses on consignment :

Freight ₹ 7,500, Carriage ₹ 500 and Insurance ₹ 2,000.

Commission was fixed at 5% on gross sale proceeds. The agents accepted a bill for ₹ 2,00,000 drawn on them as advance.

In transit 100 radio sets were totally destroyed by fire and ₹ 29,000 were duly received by the consignor from the insurance company in full settlement.

When goods were sold the company received account sales from agents showing that 600 radio sets were sold for ₹ 6,00,000 and they paid custom duty ₹ 10,000, clearing charges ₹ 5,000, warehouse rent ₹ 4,500 and sales expenses ₹ 6,000.

The agents remitted a draft for the balance after deducting the amount of bill already accepted. Prepare in the books of Kavitha Radio Co. Ltd.

- Consignment A/c
- Varsha & Co. A/c
- Goods Sent on Consignment A/c
- Abnormal Loss A/c.