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**BCMCMCN 101**

**I Semester B.Com. Examination, Dec. 2023/Jan. 2024**

**(NEP-2020) (2021-22 Batch Onwards)**

**FINANCIAL ACCOUNTING – I**

Time : 2 Hours

Max. Marks : 60

**SECTION – A**

I. Answer **any five** of the following questions.

**(5×2=10)**

- 1) Explain the basis of accounting.
- 2) Give the meaning of forensic accounting.
- 3) Choose the items to be included in manufacturing account from the following :  
Carriage outward, manufacturing wages, factory rent, freight and octroi, discount received, bad debt written off, depreciation on factory building, depreciation on premises.
- 4) What is del credere commission ?
- 5) What is recoument of shortworking ?
- 6) What do you mean by cloud computing in accounting ?
- 7) How do you treat goods distributed as free samples in final accounts ?
- 8) What is meant by business entity concept ?

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**SECTION – B**

II. Answer **any four** of the following questions.

**(4×5=20)**

- 9) Write a short note on accounting standard.
- 10) Define big data. Explain the benefits of big data analytics in accounting.
- 11) While preparing the final accounts of a sole trader, how will you deal with the following items appearing in the trial balance ?
  - a) Carriage inwards
  - b) Interest earned
  - c) Wages
  - d) Income tax paid on owner's income
  - e) Depreciation.

**P.T.O.**



12) Prepare manufacturing account from the following :

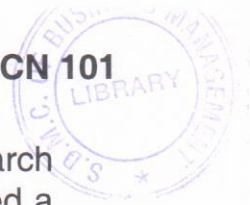
Stock at commencement :	₹
Raw materials	50,000
Partly finished goods	25,000
Finished goods	75,000
Freight and octroi	7,000
Manufacturing wages	20,000
Gas, electricity and water	18,000
Stores consumed	10,000
Factory rent	8,000
Factory expenses	3,000
Stock at close :	
Raw materials	60,000
Partly finished goods	30,000
Finished goods	85,000
Purchase of Raw materials	35,500
Return inwards	15,000
Return outwards	5,500
Sales	3,00,000
Salary	1,000
Commission	200

13) From the following particulars, prepare trading account.

	₹		₹
Sales	16,000	Purchase returns	500
Opening stock	5,000	Goods destroyed by fire	1,500
Wages	300	Goods withdrawn by the	
Purchases	8,000	proprietor for personal use	500
Sales returns	1,000	Advertisement	700
Carriage inwards	200	Salary	400

**Adjustments :**

- 1) Closing stock ₹ 7,000
- 2) O/S wages ₹ 50 O/S salary ₹ 400



14) Sushmitha consigned 10 cycles costing ₹ 1,500 each to Smitha on 1<sup>st</sup> March 2021 paying ₹ 750 as freight and ₹ 250 as insurance. Smitha accepted a bill drawn on her by Sushmitha for ₹ 10,000 on 15<sup>th</sup> March 2021 and paid godown rent of ₹ 400, insurance of ₹ 250, unloading charges ₹ 100. They are entitled to a commission of 5%. Smitha sold eight cycles at ₹ 2,050 each and sent a bank draft for the amount due after deducting their commission, expenses and advance. Prepare Consignment a/c in the books of Sushmitha.

SECTION – C

III. Answer **any two** of the following questions.

(2×15=30)

- 15) Describe any three accounting concepts and accounting conventions.
- 16) Ram Tiles Ltd. leased a piece of land in 2016 for 5 years from Raj at a minimum rent of ₹ 10,000 p.a. and a royalty of 25 paise per ton of clay raised. Short working to be recouped during the two years subsequent to the year in which they may occur. There was a provision for the proportionate reduction in the minimum rent in the event of a strike. The production was :

2016	Nil
2017	60,000 ton
2018	50,000 ton
2019	20,000 ton
2020	70,000 ton.

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In 2019, there was a strike for 3 months. Prepare Minimum rent a/c, Royalty a/c, Short working a/c and Landlords a/c in the books of Ram Tiles Ltd.

17) From the following trial balance of Sharath as on 31-12-2020, prepare trading and profit and loss a/c for the year ended and a Balance Sheet as on that date :

	Debit (₹)	Credit (₹)
Capital and drawings	3,250	15,000
Stock (1-1-2020)	17,445	-
Return inwards	554	-
Carriage inwards	1,240	-
Deposit with Srikanth	1,375	-
Return outwards	-	840
Carriage outwards	725	-



Loan to Asha at 5% given on 1-1-2020	1,000	—
Interest on the above	—	25
Rent	820	—
Rent outstanding	—	130
Purchases	12,970	—
Debtors and creditors	4,000	3,000
Advertisement	954	—
Sales	—	27,914
Provision for doubtful debts	—	1,200
Bad debts	400	—
Discount	330	—
Cash	2,292	—
Wages	754	—
	<b>48,109</b>	<b>48,109</b>

#### Adjustments :

- 1) Closing stock ₹ 18,970
  - 2) Stock valued at ₹ 1,500 destroyed by fire but the insurance company admitted a claim of ₹ 950 only.
  - 3) Increase bad debts by ₹ 600 and create a reserve for doubtful debt at 10%.
  - 4) ₹ 200 of the advertisement expenses are to be carried forward to the next year.
- 18) The Rishi Watch Co. Ltd. of Punjab dispatched 1,000 wrist watches costing ₹ 900 each to their agent Mysore times Ltd. The commission was fixed at 6% on gross sale proceeds. The agents accepted a bill for ₹ 3,00,000 drawn on them as advance. The Rishi Watch Co. Ltd. incurred the following expenses on consignment :
- Freight ₹ 8,000, Cartage ₹ 1,500 and insurance ₹ 2,500. In transit 100 watches were totally destroyed by fire and ₹ 45,000 were duly received by Rishi Watch Co. Ltd. from the insurer in full settlement.
- The consignor received an account sales from agents showing that 700 watches were sold for ₹ 9,80,000 and they paid customs duty ₹ 12,000, clearing charges ₹ 8,000, warehouse rent ₹ 5,000 and sales expenses ₹ 10,000. The agents remitted a draft for the balance.
- Prepare necessary ledger accounts in the books of Rishi Watch Co. Ltd.