

**DCBC111**

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**I Semester B.Com.(Regular)/B.Com.(A&F)/B.Com.(BDA)/B.Com.(LSCM)/  
B.Com.(T&TM)/B.Com.(Fintech) Degree Examination,**

**January/February- 2025**

**COMMERCE**

**Financial Accounting**

**(SEP Freshers Scheme 2024-25 Onwards)**

**Maximum Marks : 80**

**Time : 3 Hours**

**Instructions to Candidates:**

Answers should be in English only.

**SECTION - A**

**Answer any Five sub-questions. Each sub-question carries 2 marks. (5×2=10)**

1. a) What is Business Entity Concept?  
b) What do you mean by Single Entry System?  
c) Mention the types of Single Entry System.  
d) What is Del Credere Commission?  
e) Give two examples of Non-recurring expenses.  
f) What is Hire Purchase Price?  
g) Mention two objectives of Branch Accountings.  
h) Define Accounting.

**SECTION - B**

**Answer any Four questions. Each question carries 5 marks. (4×5=20)**

2. Briefly explain any five accounting concepts.
3. Raghu commenced business with capital Rs. 1,50,000. Bought goods from Mahesh on credit Rs. 60,000. Bought furniture for cash Rs. 10,000. Sold goods for cash Rs. 50,000. Paid salaries Rs. 10,000.

Prepare an accounting equation from the above transactions.

4. Calculate credit sales from the following information.

|                                 |   |          |
|---------------------------------|---|----------|
| Opening balance of debtors      | - | 60,000   |
| Bills receivable received       | - | 2,00,000 |
| Cash received from debtors      | - | 3,08,000 |
| Sales return by the debtors     | - | 40,000   |
| Discount allowed to the debtors | - | 2,000    |
| Closing balance of debtors      | - | 20,000   |

**[P.T.O.]**

5. Raj consigned 2,000 tons of coal at Rs. 50 per ton to Shiva of Mysore. He paid Rs. 20,000 as freight. Due to normal wastage 1,950 tons only were received by Shiva. He paid Rs. 5,000 as unloading charges. Goods sold were 1,300 tons. You are required to calculate the value of closing stock.
6. Calculate the amount of interest included in each instalment. Cash price Rs. 50,000. Down payment Rs. 15,000, three annual instalments of Rs. 20,000, Rs. 15,000 and Rs. 10,000 respectively payable at the end of each year.
7. Moon Ltd, Mysore opened a branch at Mandya on 01-04-2023, prepare Branch Account for the period ending 31-03-2024.

|                                   | Rs.    |
|-----------------------------------|--------|
| Goods sent to branch              | 16,000 |
| Cash sent to branch for expenses: |        |
| Salaries                          | 2,000  |
| Rent                              | 480    |
| Other expenses                    | 320    |
|                                   | 2800   |
| Cash sales effected by the branch | 22,000 |
| Closing stock on 31-03-2024       | 2,000  |

### SECTION - C

Answer any Three questions. Each question carries 15 marks.

(3×15=45)

8. Mahesh does not maintain proper books of accounts. From the following incomplete information, Prepare Trading and profit and loss account for the year ended 31-03-2024 and the balance sheet as on that date:

| Assets and Liabilities | 01-04-2023 | 31-03-2024 |
|------------------------|------------|------------|
| Debtors                | 36,000     | 50,000     |
| Stock                  | 19,600     | 26,400     |
| Furniture              | 2,000      | 3,000      |
| Creditors              | 12,000     | 9,000      |
| Cash on hand           | 10,000     | ?          |

Analysis of other transactions are:

|                             | Rs.      |
|-----------------------------|----------|
| Cash collected from debtors | 1,21,600 |
| Cash paid to creditors      | 88,000   |
| Salaries                    | 24,000   |
| Rent                        | 3,000    |
| Office expenses             | 3,600    |
| Drawings                    | 6,000    |
| Fresh capital introduced    | 4,000    |
| Cash Sales                  | 3,000    |



|                   |        |
|-------------------|--------|
| Cash Purchases    | 10,000 |
| Discount received | 1,400  |
| Discount allowed  | 600    |
| Sales returns     | 2,000  |
| Bad debts         | 400    |

9. Gemini Ltd consigned 5,000 kgs of ghee to Bharath Traders, Bengaluru. Each kg of ghee costs Rs. 8. Gemini Ltd. paid Rs. 50 for carriage, Rs. 250 for packing, Rs. 200 for insurance in transit.

After three months Bharath Traders reported 3,500 kg of ghee was sold at Rs. 9.50 per kg and expenses were Rs. 500 on godown rent and Rs. 750 on salesmen salary. Bharath Traders are entitled to a commission of 5% on sales. 500 kgs of ghee was accidentally destroyed in the godown. Insurance claim of Rs. 3,500 was admitted. Prepare the necessary ledger accounts in the books of Gemini Ltd.

10. On 01-04-2024 Harish purchased a machine from HMT Ltd. on hire purchase basis. The particulars are as follows:
- Cash price Rs. 50,000.
  - Rs. 20,000 to be paid on signing the contract.
  - Balance in Three instalments of Rs. 10,000 plus interest.
  - Interest charged on outstanding balance at 5%.
  - Depreciation at 10% p.a on diminishing balance method.

Prepare necessary ledger accounts in the books of Mr. Harish under Asset Accrual Method.

11. From the following particulars relating to Kolar Branch for the year ending 31-03-2024. Prepare Branch account in the Head office books.

|                                      | Rs.          |
|--------------------------------------|--------------|
| Stock at Branch on 01-04-2023        | 17,800       |
| Branch Debtors on 01-04-2023         | 9,400        |
| Petty cash at Branch on 01-04-2023   | 40           |
| Goods sent to branch during the year | 56,800       |
| Cash sales during the year           | 31,600       |
| Credit sales during the year         | 80,800       |
| Cash received from Debtors           | 75,800       |
| Goods returned by the branch         | 1,600        |
| Cash sent to branch for expenses:    |              |
| Rent                                 | 4,000        |
| Salaries                             | 12,000       |
| Petty cash                           | <u>2,000</u> |
|                                      | 18,000       |
| Stock at Branch on 31-03-2024        | 10,800       |
| Petty cash at Branch on 31-03-2024   | 60           |



12. (A) X Ltd with its Head office in Hubli has a Branch at Hospet. You are given the following particulars relating to Hospet Branch for the year ended 31-03-2024.

|                                    | Rs.    |
|------------------------------------|--------|
| Stock at Branch on 01-04-2023      | 32,600 |
| Petty cash at Branch on 01-04-2023 | 110    |
| Goods sent to Branch               | 45,600 |
| Goods returned by the Branch       | 3,900  |
| Cash sales at Branch               | 71,900 |
| Cash sent to branch for expenses   |        |
| Salaries                           | 12,800 |
| Rent                               | 3,000  |
| Petty cash                         | 2,600  |
|                                    | 18,400 |
| Stock at Branch on 31-03-2024      | 37,100 |
| Petty cash at Branch               | 90     |

Prepare Branch Account in the books of Head office.

- (B) Calculate the total purchases from the following information relate to sundry creditors account.

|                                 | Rs.    |
|---------------------------------|--------|
| Opening balance of creditors    | 2,000  |
| Cash paid to creditors          | 60,000 |
| Goods returned to creditors     | 10,000 |
| Acceptances issued to creditors | 60,000 |
| Discount allowed by creditors   | 1,350  |
| Closing balance of creditors    | 4,000  |

### SECTION - D

#### (Compulsory)

Answer the following question. The question carries 5 marks.

(1×5=5)

13. Prepare a statement of affairs with imaginary figures.
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