



**I Semester B.Com. Examination, April/May 2021
(Repeater) (2014 – 15 and Onwards) (CBCS)**

COMMERCE

1.3 : Financial Accounting – I

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)**
- List any four accounting standards.
 - What is meant by Salvage ?
 - Mention any four advantages of Single Entry System.
 - Give any four examples of users of Accounting information.
 - How do you close Realisation Account ?
 - Give the meaning of Down Payment.
 - Mention the two methods of purchase consideration.

SECTION – B

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

- What are the functions of accounting ?
- Calculate value of opening stock.

	₹
Purchases made during the year	70,000
Sales made during the year	1,05,000
Closing stock	7,000
Manufacturing expenses	1,750
Rate of gross profit on cost	50%

- Prepare Royalty Analysis Table from the following details :

	₹
i) Minimum rent	75,000 p.a.
ii) Royalty payable	₹ 5 per ton of output
iii) Short working of the year can be recouped on the next 2 years out of excess royalty.	
iv) Output for the first five years were	
Years	1 2 3 4 5
Output in tons	10000 12200 20800 25500 35500

P.T.O.



5. Bharath mines took a lease from a landlord for a period of 10 years from 1st April 2012 on Royalty of Rs. 5 per ton of coal raised with a dead rent of ₹ 20,000 and power to recoup short working during the first four years of the lease. The output was as follows :

Year	Output (Tons)
2012 – 13	2,000
2013 – 14	3,000
2014 – 15	4,000
2015 – 16	4,500
2016 – 17	5,000

Prepare an Analytical Table of Royalties from the above details.

6. Pass incorporation entries in the books of a company from the following particulars.

Purchase consideration ₹ 5,00,000

Value of assets taken over of ₹ 6,00,000

Current Liabilities taken over ₹ 60,000

Settlement of purchase consideration 60% in equity shares of ₹ 100 each, at face value and the balance in 6% debentures of ₹ 100 each at face value.

SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. (3×14=42)

7. Mr. Arun keeps his books by Single Entry System. From the following data, prepare Trading and Profit and Loss Account for the year ending 31-03-2014 together with Balance Sheet as on that date.

Cash Book Analysis shows the followers :

	₹
Interest charges	200
Personal withdrawals	4,000
Salaries	17,000
Business expenses	15,800
Payment to creditors	30,000
Balance at bank on 31-03-2014	4,850
Cash on hand on 31-03-2014	150
Receipts from debtors	50,000
Cash sales	30,000



Further details available are

	1-4-2013	31-3-2014
	₹	₹
Stock	18,000	20,440
Creditors	16,000	11,000
Debtors	44,000	60,000
Furniture	2,000	2,000
Building	30,000	30,000

Provide 5% interest on Mr. Arun's capital as on 01-04-2013. Provide ₹ 3,000 for doubtful debts and 5% depreciation on all fixed assets.

8. Mr. Raghu purchased a machine costing ₹ 2,40,000 on 01-04-2013 from Mysore Machines Ltd. under Hire Purchases System.

The terms being ₹ 60,000 down and the balance in three equal annual instalments together with interest at 20% p.a. on the outstanding cash price. Depreciation is to be charged at 15% p.a. under Diminishing Balance Method.

Prepare necessary Ledger Accounts in the books of Raghu till 31-03-2016 under Asset Accrual Method.

9. A mining Company leased a property from Mr. Singh at a royalty of 5 per ton with a minimum rent of 12,000 p.a. each year excess of minimum rent over royalty is recoverable out of the royalties of the next three years.

The results of the working are as follows :

Year	Output (Tons)
2013 – 14	1,000
2014 – 15	1,500
2015 – 16	2,000
2016 – 17	3,000
2017 – 18	4,500

Prepare :

- Minimum Rent Account
- Royalties Account
- Short Workings Account
- Mr. Singh's Account



10. Ram and Prem are partners having Profit sharing ratio of 2 : 1 and their Balance Sheet as on 31-03-2017 was as follows :

Liabilities	₹	Assets	₹
Creditors	40,000	Cash in hand	300
Bills payable	10,000	Bills receivable	5,000
Ram's loan	20,000	Debtors	60,000
Ram's capital	30,000	Less : Reserve	<u>3,000</u>
Prem's capital	20,000	Stock	57,000
Reserve fund	6,000	Machinery	43,700
			20,000
	1,26,000		1,26,000

They agreed to sell the business to a Limited Co. and the Co., to take over the assets and liabilities as follows :

Machinery at 16,000, Stock at 35,000, Debtors at ₹ 50,700, B/R at 5,000 and Goodwill at ₹ 6,000.

The company agreed to take over creditors at ₹ 38,000 and B/P at ₹ 10,000. The expenses of realization amounted to 300. The firm received ₹ 40,000 of the purchases price in 10 fully paid equity shares and the balance in cash. Distribute the shares as per original capital ratio.

Prepare the necessary Ledger Accounts in the books of the firm.

11. a) Prepare an analysis table from the following details :
- Minimum rent ₹ 10,000 p.a.
 - Royalty payable ₹ 1 per ton
 - Short working can be recoverable during the first three year of the lease only
 - The production for the past 4 years were as follows :

2013 – 8,000 tons
2014 – 10,000 tons
2015 – 11,000 tons
2016 – 13,000 tons
- b) From the second year onwards the dead rent is agreed upon at ₹ 2,000 instead of ₹ 2,500 and all other terms being unchanged. The other details are :

Year	Sales (Units)
2013	100
2014	200
2015	300
2016	500

Show Ledger Accounts in the books of Suraksha and Co., including Minimum Rent Account.