**STJOSEPH’S UNIVERSITY, BENGALURU -27**

Registration Number:

Date & session:2-12-2022 (1PM)

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**BCOM – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BC 1121 / BPS 1121 Financial Accounting**

**Time: 2 Hours Max Marks: 50**

**This paper contains \_\_\_\_\_\_ printed pages and \_\_\_\_\_ parts**

**Section A**

I. Answer any **five** of the following  **(5 X 2 = 10marks)**

1. What is GAAP?
2. What is dead rent?
3. Give the meaning of Installment.
4. State two differences between Sale and Hire Purchase.
5. Double entry system is preferred over single entry system of accounting. State any two reasons.
6. Give at least four scenarios where Royalty is charged.

**Section B**

II. Answer any **two** of the following **(2 x 15 = 30 marks)**

1. .Bengal Coal Limited leased a colliery from Shankar at a royalty of Rs. 1.50 per ton of coal raised with a minimum rent of Rs. 10,000 per annum. Each year’s excess of Minimum rent over actual royalties is recoverable out of royalties of next five years. In the event of a strike the minimum rent not being reached, the lease provided that the actual royalties earned for the year discharged all the rental obligations for the year. The output of the colliery for the first seven year was as follows:

|  |  |
| --- | --- |
| Year | Production (tons) |
| 1993 | Nil |
| 1994 | 3000 |
| 1995 | 4000 |
| 1996 | 6000 |
| 1997 | 8000 |
| 1998 | 4000 (Strike for 3 months) |
| 1999 | 10000 |

With Minimum Rent account, royalties account, Short workings account and Shankar’s account in the books of Bengal Coal Limited.

1. Arjun carries on a grocery business and does not keep his books on a double entry basis. The following particulars have been extracted from his books.

|  |  |  |
| --- | --- | --- |
|  | 1/4/2021 | 31/3/2022 |
| Plant and Machinery | 18000 | 18000 |
| Stock | 8000 | 7000 |
| Sundry debtors  | 2000 | 3000 |
| Sundry creditors  | 5000 | 4600 |
| Cash | 4000 | ? |

Analysis of his cash book for the year ending 31/3/2022 showed the following:

|  |  |
| --- | --- |
| Wages  | 6000 |
| Sundry expenses  | 2500 |
| Advertising  | 1120 |
| Rent and rates  | 2500 |
| Carriage inwards | 2460 |
| Cash received from debtors  | 82500 |
| Cash paid to creditors  | 64340 |
| Drawings | 3120 |

During the financial year 2021-22, Arjun had taken from his business for his own consumption goods which amounted to Rs. 780. Purchases returns during the year were Rs. 2000 and sales returns were Rs. 1000. Depreciate machinery by 5%. Prepare trading and profit and loss account for the year ending 31st March 2022 and Balance sheet as at that date.

1. A. What is Consignment? Elaborate the salient features of Consignment. (**10 Marks**)

B. Write a short note on Accounting Conventions. (**5 marks**)

**Section C**

III .**Answer the following (1 X 10 = 10 marks)**

1. A mini bus is purchased for Rs. 1,60,000 under hire purchase on 1/1/2015. The amount payable is Rs. 40000 on entering the agreement and the balance in 3 annual installments of Rs. 50000 each at the end of the year. Depreciation is charged at 10% p.a. on a written down value method. Pass necessary journal entries in the books of hire purchaser under Asset Accrual Method.

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