Registration Number:

Date & session:



**ST.JOSEPH’S UNIVERSITY, BENGALURU -27**

**B.COM – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November /December 2023)**

**BC 1121/ BPS 1121 : FINANCIAL ACCOUNTING**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains 2 printed pages and 4 parts**

**PART-A**

**I.** Answer ***any five*** of the following (**3 x 5 = 15 marks)**

1. What is single entry system? State any two limitations of single entry system.
2. What is short working recoupment? Mention the types of short working recoupment.
3. Write any three differences between consignor and consignee.
4. What is hire purchase agreement? State any two features of hire purchase agreement.
5. Mention any six natures of accounting.
6. What is consignment? How is it different from sale?

**PART B**

**II.** Answer ***any two*** of the following (**5 x 2 = 10 marks)**

1. Briefly explain the accounting conventions.
2. Mr. Rakesh of Mumbai sent 2000 tons of coal on consignment at Rs 300 per ton. Consignor paid Rs 10000 carriage and Rs 8000 for wages. Consignee spent Rs 2000 for expenses. Mr. Deepak received 10 percent less coal. Deepak sold 1500 ton coal at Rs 400 per ton. Calculate value of unsold stock.
3. Calculate the amount of interest and principal included in each instalment. Cash price Rs 100000, down payment Rs 25000, three instalments of Rs 30000 each payable at the end of year.

**PART C**

**III.** Answer ***any two*** of the following (**10 x 2 = 20 marks)**

1. H. Ltd. forwarded on 1st December, 2011, 50 pressure cookers to Kale of Mumbai to be sold on behalf of H. Ltd. The cost of one pressure cooker was Rs 1,200 but the invoice price was Rs 1,600. H. Ltd. incurred Rs 2,000 on freight and insurance. Kale received the consignment on 14th December, 2011 and accepted a 3 months’ draft drawn upon him by H. Ltd. for Rs 40,000. Kale paid Rs 1,050 as rent and Rs 250 as insurance and by 31st March had disposed of 40 pressure cookers at Rs 1,640 each. Kale is entitled to a commission of 5 per cent on sales including a del credere commission of 1%. Kale sold 10 pressure cookers son credit and was not able to recover sale proceeds of one pressure cooker because of insolvency of the debtor. Prepare all the ledger accounts in the books of H Ltd.
2. On 1st January 2013,KC Ltd leased some land for a minimum rent of Rs 3000 for the 1st year, Rs 5000 for the 2nd year and thereafter Rs 10000 p.a. merged into royalty of Re. 0.50 per ton with power to recoup short working over two years after occurring the short working. The annual output for the 5 years are as follow:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Years | 2013 | 2014 | 2015 | 2016 | 2017 |
| Production in tons | 3000 | 8600 | 22000 | 28000 | 30000 |

Pass the necessary journal entries in the books of KC Ltd under minimum rent method.

1. Ms. Annie keeps her books on single entry system, from the following information prepare a statement showing his profit or loss for the year ended 31.3.2022.

|  |  |  |
| --- | --- | --- |
| Particulars | 1/4/2021 | 31/3/2022 |
| Cash | 2000 | 5000 |
| Bill receivables | 5000 | -- |
| Debtors | 19000 | 25000 |
| Stock | 22000 | 19000 |
| Creditors | 14000 | 16000 |
| Bills payable | -- | 2000 |
| Investments | -- | 6000 |
| Furniture | 10000 | 10000 |
| Loan | -- | 3000 |

During the year she withdrew Rs 5000 for her personal purpose, she introduced Rs 2000 as additional capital.

Adjustments: Bad debts Rs 500, prepaid insurance Rs 600, depreciate furniture by 10%, commission earned but not yet received Rs 3000, salary outstanding Rs 1600.

**PART D (COMPULSORY)**

**IV. Answer the following (15marks)**

1. Mr. Ram buys car on 1/4/2013 under hire purchase system, the terms of payments are as follows: Rs 2000 to be paid on signing the agreement, Rs 2800 at the end of the 1st year, Rs 2600 at the end of 2nd year, Rs 2400 at the end of 3rd year and Rs 2200 at the end of the 4th year. If the interest is charged at the rate of 10% p.a. what was the cash price of the car and also show the necessary ledger accounts under asset accrual method, if the rate of depreciation is 20% p.a. on reducing balance method.