

2031
B.Com.-1st Semester
BCM-105: Principles of Financial Accounting

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt any four questions from Section-A. Attempt two questions each from Section-B & C respectively.

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SECTION – A

- I. Explain the following in brief (Attempt any four): -
- (a) Explain the meaning and need for IFRS.
 - (b) Explain the convention of consistency and convention of conservatism.
 - (c) Write the short note on: -
 - (i) Normal loss (ii) Abnormal loss
 - (iii) Account sales (iv) Proforma invoice
 - (d) Vijay of Amritsar consigned goods 400 units each costing Rs. 600 to his agent Raju of Delhi. He paid 2000 towards freight. 20 units were destroyed in transit. Raju took delivery of balance unity and paid 2000 Rs. for godown rent, 570 Rs. as clearing charges Raju sold 360 units sold for 900 each. Calculate the cost of abnormal loss and value of unsold goods?
 - (e) Following purchases were made by M & Co. having three departments:

Dept. A	3000 units	
Dept. B	5000 units	At Total cost of Rs. 236000
Dept. C	6000 units	

Stock on 1-4-2018	Sales 2018-19
Dept. A – 300 units	Dept. A 2800 units Rs. 36 each
Dept. B – 400 units	Dept. B 4800 units Rs. 48 each
Dept. C – 500 units	Dept. C 5400 units Rs. 60 each

Rate of gross profit is the same, and prepare the trading account.
 - (f) S Ltd took a mine on lease for 20 years rate of royalty Rs. 1 per ton. Minimum rent is Rs. 8000 per year. Next year short-working will not be recouped if yield is less than 4000 tons of short-working year. If royalty is more than minimum rent only 50% of excess amount can be used for the recoupment of short-working. Prepare analytical table for first four years and output is 3500 tons, 7000 tons, 7500 tons and 9000 tons. (4×5)

P.T.O.

(2)

SECTION-B

- II. What are departmental accounts? What are the objects and advantages of preparing these accounts? Explain the basis of allocation of expenses. (15)
- III. What is the object of branch accounting? Explain Debtor system and stock & Debtor system for keeping books of branches. (15)
- IV. From the following trial balance of Parneet as on 31-3-2019. Prepare trading and profit loss a/c and balance sheet:-

	Dr.	Cr.
Capital	-	200000
Drawings	24000	-
Creditors	-	80000
10% loan (1-1-2019)	-	20000
Cash in hand	2400	-
Cash at bank	22800	-
Debtors	101000	-
Provision for D/D	-	8000
Furniture	24000	-
Machinery	56800	-
Stock (1-4-18)	150000	-
Purchases	360000	-
Return in words	4000	-
Rate & taxes	13600	-
Salaries	36000	-
Wages	60000	-
Travelling exp.	3200	-
Sales	-	561600
Office exp.	5000	-
Insurance (1200 Rs. paid upto 30 June 2019)	1600	-
Commission received	-	2000
Discount	3200	4000
Carriage	8000	-
	875600	875600

Following adjustments are:

- (i) Closing stock 117000
- (ii) Further bad debts Rs. 500 and provision for D/D @ 5% and provision for discount on debtors and creditors @ 2%
- (iii) Wages includes 3200 for new machinery on 1-4-18. Depreciation on machinery 5% and furniture by 10%
- (iv) Goods loss by fire Rs. 20000 claim accepted Rs. 16000. (15)

(3)

- V. Suman Ltd. has its branch in Ambala Goods invoiced at cost of 25%. Following transactions are on 31-3-2019:

	1 April 2018	31 March 2019
Stock (IP)	20000	?
Debtors	6000	5500
Petty cash	475	425

Goods sent to branch at IP	240000	Insurance charges paid by H.O.	1000
Goods return to H.O.	7500	Cash sent for petty expenses	16000
Cash sales	60000	Goods transfer to Ludhiana branch	6000
Credit sales	90000	Goods return by debtors	500
Normal loss (IP)	300	Cash received from debtors	89500
Good loss by fire (IP)	4500		
Insurance claim	2000		

Prepare branch stock, branch debtors, branch adjustment, branch P/L A/L, Goods sent to branch accounts. (15)

SECTION-C

- VI. What is a joint venture? Explain accounting methods with journal entries. (15)
- VII. Write the short note on the following: -
- Dead rent
 - Royalty
 - Sub-lease
 - Short working
 - Royalty suspense a/c (15)
- VIII. Mona mills, Ludhiana consignment 5000kg of oil to Vijay of Chandigarh @ Rs. 8 per Kg. consignor paid Rs. 50 as cartage, 250 as freight and Rs. 200 as insurance. During transit 500kg. were accidentally destroyed for which insurance company paid Rs. 2500/- consignee reported that 3500kg. oil was sold for Rs. 9.50per kg. Expenses paid godown rent 500 Rs. salesmen salary 750 Rs., Vijay is entitled commission 5% on sales. Vijay reported that 20 kg oil was lost due to leakage. Prepare accounts in the books of consignor & consignee. (15)

P.T.O.

(4)

- IX. Bini, Mini & Tini are the partners in ratio of 4:3:2. Their balance sheet as on 31 March 2019 is as follows:

Liabilities	₹	Assets	₹
Creditors	20000	Cash	2000
Bank overdraft	15000	Debtors 18000	
(secured by stock)		Less D/D 1000	17000
Loan (secured by machinery)	25000	Stock	25000
Capital:		Machinery	40000
Bini	20000	Profit & Loss A/C	9000
Mini	10000		
Tini	3000		
	<u>93000</u>		<u>93000</u>

The firm was dissolved and stock was sold by bank for Rs. 20000. Bank paid back Rs. 4000 after deduction of amount due for bank overdraft & interest. Machinery sold for Rs. 24000 and debtors realized for Rs. 14000. Load paid along with, interest Rs. 1000. There was unrecorded assets valued Rs. 5000 taken by creditors at Rs. 2000. Expenses Rs. 300 paid by Bini. Tini become insolvent. Tini's Private Liabilities Rs. 1000 and Private Assets Rs. 1950. Pass necessary ledger to close the books of firms. (15)

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