

Name of course: B.Com (H) Sem. I  
 Scheme/Mode of Examination: CBCS  
 Name of the Paper: Financial Accounting  
 UPC/Subject Code: **22411101**  
 Duration: 03 Hours  
 Maximum Marks: 75 Marks

***Attempt Any Four Questions. All questions carry equal marks.***

1. “In the changing global economic and business environment, Accounting Standards are very much significant” Explain the basic theme of the statement.
2. What will you explain to make a person understand the different method of calculation of depreciation and accounting as per AS-10
3. From the following balances extracted from the books of Mr. GREEN, prepare trading and profit and loss account for the year ended 31.03.2020 and a balance sheet at that date.

₹		₹	
Purchases	71,280	Mr. GREEN's Capital A/C	60,000
Computer at cost	18,380	Cash at bank	4,000
Cash in hand	2,836	Sundry Creditors	13,000
Bills payable	10,220	Furniture and fittings at cost	1,540
Rent	12,540	Bills receivable	6,720
Discount received	22,000	Sundry Debtors	34,156
Trade charges	920	Return outward	11,432
Sales	60,720	Rent due	320
Drawings	5,200	Wages	1,800
Discount allowed	540	Return inward	1,000
Salaries	16,780		

Additional information:

- a) Closing stock on 31.03.20 was valued at cost ₹25,600 (market value ₹26,200).
- b) ₹6,000 paid to Mr. Red against bill payable were debited by mistake to Mr. Green's account and included in the list of debtors.
- c) Travelling expenses paid to sales representative ₹5,000 for the month of March 2020 were debited to his personal account and included in the list of Sundry debtors.
- d) Depreciation on furniture and fittings shall be provided at 10%p.a.
- e) Provide for doubtful debts at 5% on sundry debtors.

f) Goods costing ₹1,500 used by proprietor.

g) Salaries included 12,000 paid to sales representative who is further entitled to a commission of 5% on net sales.

4. Suraj purchased 3 Trucks on Hire Purchase basis on January 1, 2016. The cash price of each Truck is Rs. 7,00,000. He agreed to pay Rs. 5,00,000 down and 4 instalments of Rs. 5,00,000 each at the end of every year starting from December 31, 2015.

Suraj could not pay the instalment due on December 31, 2018 and therefor the vendor Tata Sons took away 2 Trucks adjusting them against the amount due. It was agreed that the repossessed trucks would be valued at cost less depreciation @ 25% p.a. on WDV and balance remaining will be adjusted in cash immediately.

Show the Trucks account and Tata Sons account in the books of Suraj assuming he charges depreciation @20% on SLM.

Also show the Goods Repossessed account in the books of Tata Sons if they spent Rs. 20,000 on the overhaul of the two trucks and sold one of them for Rs. 4,00,000.

5. Bundi shoes Ltd. is having its branch at Ajmer. Goods are invoiced to the branch at 20% profit on sales. Branch has been instructed to send all cash daily to the head office. All expenses are paid by the head office except petty expenses which are met by the branch manager. From the following particulars prepare Branch account in the books Bundi shoes Ltd.

Stock on 1 <sup>st</sup> January, 2015 (at invoice price)	: Rs. 30,000
Sundry debtors on 1 <sup>st</sup> January, 2015	: Rs. 18,000
Cash in hand on 1 <sup>st</sup> January, 2015	: Rs. 4,000
Office Furniture on 1 <sup>st</sup> January, 2015	: Rs. 12,000
Goods invoiced from Head office at Invoice Price	: Rs. 1,60,000
Discount allowed to debtors	: Rs. 1,800
Petty expense paid by the branch manager	: Rs. 2800
Goods returned to head office	: Rs. 4,000
Goods returned by debtors	: Rs. 1,200
Cash received from debtors	: Rs. 50,000

Cash Sales : Rs. 1,00,000

Credit Sales : Rs. 70,000

Stock on 31<sup>st</sup> December, 2015 at invoice price : Rs.14,000

Expenses paid by head office: Rent Rs. 2,400; salary Rs. 5,600; stationery Rs. 500 and depreciation is to be provided on furniture 10% p.a.

6. A, B and C had the following Balance Sheet on 31-3-2020:

Liability	Rs	Assets	Rs
Trade creditors	4,00,000	Fixed assets	4,00,000
Loan from Mrs. A	—	Debtors	2,40,000
(with a charge on stock)	1,50,000	Stock	2,00,000
Loan from A	1,00,000	Cash at Bank	10,000
Capital A/c:		Profit and Loss Account	3,00,000
A	2,00,000		
B	2,00,000		
C	1,00,000		
	<u>11,50,000</u>		<u>11,50,000</u>

The firm was dissolved. Stock realized 50% and fixed assets and debtors realized Rs 3, 00,000 in all.

The private position of the partners was as under:

	Private Assets	Private Liability
A	1, 50,000	1, 00,000
B	60,000	80,000

C was able to pay 50 paise in the rupee of what was payable on his own account to the firm. The partners shared profits and losses in the ratio of 4: 3: 3 for A, B and C respectively. The losses on realization is to be determined after considering the amount finally paid to the creditors. you are required to close the books of the firm preparing the necessary ledger accounts.