DCBC – 101

I Semester B.Com. Examination, December 2024/January 2025
(NEP) (Repeaters)
COMMERCE
Paper – 1.1 : Financial Accounting

Time : 2½ Hours Max. Marks : 60

Instructions : *Answer should be written* ***compulsorily*** *either in* ***English*** *or in* ***Kannada****.*

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**

   a) State any two functions of accounting.

   b) If total assets of a business is Rs. 1,30,000 and net worth is Rs. 80,000, calculate the creditors.

   c) What is hire purchase system ?

   d) What is hire purchase charges ?

   e) How do you record inter departmental transfer ?

   f) What is meant by inland branches ?

   g) Goods are invoiced at a profit of 20% on sales. The cost price of goods sent is Rs. 1,48,800.Calculate the load included in cost price of goods sent.

SECTION – B

Answer **any three** of the following questions. **Each** question carries **four** marks. **(3×4=12)**

2. What will be the effect of the following on the accounting equation ?

   i) Harish started business with cash Rs. 18,000

   ii) Purchased goods for cash Rs. 5,000 and on credit Rs. 2,000

   iii) Sold goods for cash Rs. 4,000 (costing Rs. 2,400)

   iv) Rent paid Rs. 1,000 and rent outstanding Rs. 200

P.T.O.

3. Calculate the cash price of an asset from the following details :

Down payment	₹ 4,500
I Installment	₹ 4,200
II Installment	₹ 3,900
III Installment	₹ 3,600
IV Installment	₹ 3,300

Rate of interest 10% p.a.

4. State the basis of allocation of the following expenses in departmental accounting.
   a) Depreciation on machinery.
   b) Commission on sales.
   c) Bad debts.
   d) Lighting charges.
   e) Carriage inwards.

5. HAN Ltd. of Bangalore has a branch in Kolar. The H.O. sends goods to branch at cost plus 50%. From the following particulars prepare Branch A/c.

   Goods sent from H.O. at invoice price Rs. 50,000.

   Return goods to H.O. Rs. 1,000.

   Cash sales Rs. 35,500.

   Credit sales Rs. 8,000.

   Stock at the beginning of the year Rs. 10,000.

   Stock at the closing of the year Rs. 11,000.

6. Mention the users of accounting information.

SECTION – C

Answer **any three** of the following questions. **Each** question carries **ten** marks. **(3×10=30)**

7. Transactions of Pavan Traders are given below. Show the effects of these transactions on Assets, Liabilities and Capital with the help of accounting equation.
   a) Business started with cash Rs. 10,000.
   b) Cash purchases Rs. 5,000.
   c) Cash sale of Rs. 6,000. (cost of goods sold Rs. 4,000)
   d) Purchased furniture for cash Rs. 500.
   e) Paid personal expenses Rs. 400.
   f) Bought goods from Ratan Rs. 8,000.
   g) Sold goods worth Rs. 6,000 on credit to Shivam for Rs. 10,000.
   h) Paid rent of Rs. 400.

8. Likith Travels purchased a mini bus costing Rs. 16,00,000 on hire purchase system on 1-4-2021. The amount payable Rs. 4,00,000 on purchase and the balance in 3 annual installment of Rs. 5,00,000 each at the end of the year. The bus was depreciated at 10% p.a. on WDV method. Accounts are closed on 31st March each year. Prepare Mini bus A/c and Hire vendor A/c for three years in the books of the Likith Travels.

9. From the following balances extracted from the books of NDLA departmental stores, prepare departmental trading and profit and loss account in columnar form for the year ended 31/12/2024.

Trial balance

Particulars	**Dr. (Rs.)**	**Cr. (Rs.)**
Opening Stock; 1-1-24		
Dept. I	1,20,000	–
Dept. II	90,000	–
Purchases; and sales Dept. I	1,60,000	3,00,000
Dept. II	1,40,000	2,80,000

Carriage inwards. Dept. I	4,000	–
Dept. II	2,000	–
Cash in hand	12,000	–
Capital	–	1,60,000
Drawings	20,000	–
Debtors and creditors	45,000	60,000
Machinery	36,000	–
Repairs to machinery	30,000	–
BR and BP	15,000	6,000
Rent	12,000	–
Buildings	60,000	–
Salaries	60,000	–
Total	**8,06,000**	**8,06,000**

Additional information :

a) Closing stock on 31-12-2024 Dept. I – Rs. 1,40,000 : Dept.II – Rs. 1,20,000.

b) Salaries to be allocated in the ratio of 7 : 3.

c) The value of machinery in Dept. I is Rs. 20,000 and that of Dept. II is Rs. 16,000.

d) Depreciate machinery @10% p.a. and building by 5% p.a.

e) Area of the building is occupied by Dept. I 3/5th and Dept. II 2/5th.

10. From the following particulars relating to Bangalore branch opened in 2023 prepare branch account for 2023 and 2024.

Particulars	**Rs.**	**Rs.**
Goods sent to branch	3,000	4,200
Cash sales	1,200	1,920

Credit sales	2,160	3,000
Cash received from debtors	1,920	2,400
Discount allowed	30	90
Bad debts	30	60
Cash sent to branch for exp.	420	600
Stock on 31st December	480	840
Petty cash on 31st December	10	12

11. From the following particulars, prepare the departmental trading and profit and loss a/c for the year ended 31-03-2024.

Particulars	**Dept.-A Rs.**	**Dept.-B Rs.**	**Total Rs.**
Opening stock	14,000	12,000	26,000
Purchases	75,100	69,800	1,44,900
Sales	1,00,000	80,000	1,80,000
Returns outward	1,100	800	1,900
Salaries	9,000	8,500	17,500
General salaries	–	–	11,600
Rent and rates	3600	2,400	6,000
Advertising	–	–	8,100
Insurance	–	–	1,000
Carriage outwards	–	–	5,400
Discount allowed	–	–	1,800
Discount earned	–	–	1,430
Accountancy charges	–	–	2,860
Carriage inwards	–	–	1,430

Additional Information :

a) General salaries are to be allocated equally.

b) The area occupied in the ratio of 3 : 2.

c) Insurance premium and accountancy charges cannot be allocated conveniently to any Depts.

d) Closing stock of Dept. A was Rs. 16,000 and that of Dept. B Rs. 17,000.

SECTION – D

Answer **any one** of the following. **(1×8=8)**

12. a) Calculate cash price and interest of an asset from the following details.

Down payment	₹ 6,000
1st Installment (payable at the end of the 1st quarter of the year)	₹ 7,200
2nd Installment (payable at the end of the 2nd quarter of the year)	₹ 6,900
3rd Installment (payable at the end of the 3rd quarter of the year)	₹ 660
4th Installment (payable at the end of the 4th quarter of the year)	₹ 6,300

Rate of interest is 20% p.a.

OR

b) Explain the accounting concepts.