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Reg. No.....

Name.....

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MAY 2024**

**Third Semester**

Core Course—FINANCIAL ACCOUNTING

(2012—2016 Admissions—Mercy Chance)

[For Private Registration Candidates]

Time : Three Hours

Maximum Weight : 25

**Instructions :** *This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under Section II.*

**Section I**

PART A

*Answer all questions.*

*Each bunch of four questions carries a weight of 1.*

I. Choose the correct answer from the choices given below :

1 Royalty account is a \_\_\_\_\_ account.

- (a) Real. (b) Personal.  
(c) Nominal. (d) Fictitious.

2 As-6 deals with \_\_\_\_\_.

- (a) Depreciation. (b) Cash Flow statement.  
(c) Inventories. (d) Construction contracts.

3 \_\_\_\_\_ are entries passed at the time of the preparation of final accounts in the journal proper to close nominal accounts.

- (a) Adjusting entries. (b) Closing entries.  
(c) Opening entries. (d) Transfer entries.

**Turn over**





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4 An account which is prepared to ascertain the gross profit of the branch is termed as \_\_\_\_\_.

- (a) Branch stock account.                      (b) Branch adjustment account.  
(c) Branch expense account.                  (d) Branch debtors account.

II. Fill in the blanks :

5 The right of recoupment of short workings can be \_\_\_\_\_.

6 The amount of credit sales is ascertained by \_\_\_\_\_.

7 \_\_\_\_\_ is the avoidable, unexpected and accidental loss due to careless handling of the goods.

8 \_\_\_\_\_ means putting together items of a similar nature under a common heading.

III. State whether the following statements are True or False :

9 Royalty paid on sales is debited to the Profit and Loss account.

10 The amount of credit purchases is ascertained by preparing statement of affairs.

11 Account sales is the annual statement sent by the consignee to the consignor.

12 Trial Balance is prepared to check the arithmetical accuracy.

IV. Match the following :

- |                             |                         |
|-----------------------------|-------------------------|
| 13 Journal                  | — Secondary book.       |
| 14 Outstanding expenses     | — Statement of affairs. |
| 15 Recurring expenses       | — Original entry.       |
| 16 Capital at the beginning | — Liability.            |
|                             | — Asset.                |
|                             | — Advertising.          |

(4 × 1 = 4)





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**Part B**

*Answer any **five** questions.*

*Each question carries a weight of 1.*

- 17 What is capital receipt ?
- 18 What is bad debts ?
- 19 What is single entry system ?
- 20 What is short working ?
- 21 What is Account Sales ?
- 22 What is delcredere commission ?
- 23 What is abnormal loss ?
- 24 What is independent branches ?

(5 × 1 = 5)

**Part C**

*Answer any **four** questions.*

*Each question carries a weight of 2.*

- 25 Explain the treatment of cash in transit and goods in transit in Branch accounting.
- 26 State the differences between consignment and sales.
- 27 Explain on rectifying entries for accounting errors.
- 28 Mr. X of Trivandrum consigned 100 kgs. of pure coconut oil to Mr. Y of Bangalore at Rs. 38 per kg. He spent Rs. 3,000 for carriage and insurance.  
  
Mr. Y sold 800 kgs @ Rs. 56. His expenses were octroi Rs. 2,000 and sales expenses Rs. 1,200. He is to get a commission of 3.5 % on sales. He reported a loss of 10 kgs. due to leakage weighing etc. which is considered normal. Prepare consignment account.

**Turn over**





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29 From the following particulars prepare Branch account.

Opening stock of branch Rs. 60,000, Goods sent to branch Rs. 1,80,000, Sales Rs. 2,40,000 (cash), Expenses : Salaries Rs. 20,000, other expenses Rs. 8,000. Closing stock could not be ascertained, but it is known that the branch usually sells at cost + 20 %.

30 Ravi consigned 2,000 tons of coal at Rs. 25 per ton to Raju of Punalur. He paid Rs. 10,000 as freight. Owing to normal wastage, 1950 tons were received by Raju. He paid Rs. 2,500 as unloading charges. Goods sold were 1,500 tons. Compute the value of closing stock.

(4 × 2 = 8)

### Part D

*Answer any two questions.*

*Each question carries a weight of 4.*

31 UN Traders, Kottayam opened a Branch at Pathanamthitta to which goods are sent at selling price which is cost plus 33.333 %. The following relate to the Branch for the year 2016 from which you are asked to give journal entries and ledger accounts under 'Stock and Debtors' system.

		Rs.
Goods sent to Branch (Selling Price)	...	100,000
Cash sales during the year	...	50,000
Credit sales during the year	...	40,000
Cash received from debtors	...	32,500
Discount allowed to debtors	...	1,000
Bad debts written off	...	500
Remittance to Branch for :		
Rent	2,000	
Salary	2,500	
Other expenses	<u>1,000</u>	5,500





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32. A company leased a colliery from the Indian Coal Ltd., on 1<sup>st</sup> January 2010 at a minimum rent of Rs. 40,000 merging into a royalty of Re. 1 per ton with power to recoup shortworkings over the first three years of the lease the output of the colliery for first four years was 18,000 tons, 32,000 tons, 48,000 tons and 38,000 tons respectively. Pass necessary journal entries for each of the four years in the books of Indian Coal Ltd.

33. The following is the Trial Balance of Ganesh Garments as on 31-12-2016.

<i>Particulars</i>	Dr. (Rs.)	Cr. (Rs.)
Capital	...	50,000
Freehold Property	... 12,000	
Insurance	... 300	
Stock on 1-1-2016	... 14,000	
Furniture and fittings	... 1,500	
Purchases and Sales	... 67,000	90,000
Sales returns	... 1,500	
Office expenses	... 7,000	
Bad debts	... 1,000	
Discount allowed and received	... 3,000	2,000
Salaries	... 4,500	
Accounts receivable	... 10,000	
Accounts payable	...	25,000
Buildings	... 35,000	
Stationery	... 500	
Cash in hand	... 2,700	
Investments	... 20,000	
Interest on investments	...	4,000
Bank Loan	...	10,000
Interest on loan	... 1,000	
	<hr/>	<hr/>
	1,81,000	1,81,000





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Stock on 31<sup>st</sup> December 2016 is valued at Rs. 32,000. Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2016 and a Balance Sheet as on the date.

(2 × 4 = 8)

