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Reg. No.

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I Semester B.Com.(Regular)/B.Com.(A&F)/B.Com.(BDA)/B.Com.(LSCM)/
B.Com.(T&TM)/B.Com.(Fintech) Degree Examination,

January/February- 2025

COMMERCE

Financial Accounting

(SEP Freshers Scheme 2024-25 Onwards)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Answers should be in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a) What is Business Entity Concept?
- b) What do you mean by Single Entry System?
- c) Mention the types of Single Entry System.
- d) What is Del Credere Commission?
- e) Give two examples of Non-recurring expenses.
- f) What is Hire Purchase Price?
- g) Mention two objectives of Branch Accountings.
- h) Define Accounting.

SECTION - B

Answer any Four questions. Each question carries 5 marks. (4×5=20)

2. Briefly explain any five accounting concepts.
3. Raghu commenced business with capital Rs. 1,50,000. Bought goods from Mahesh on credit Rs. 60,000. Bought furniture for cash Rs. 10,000. Sold goods for cash Rs. 50,000. Paid salaries Rs. 10,000.

Prepare an accounting equation from the above transactions.

4. Calculate credit sales from the following information.

Opening balance of debtors	-	60,000
Bills receivable received	-	2,00,000
Cash received from debtors	-	3,08,000
Sales return by the debtors	-	40,000
Discount allowed to the debtors	-	2,000
Closing balance of debtors	-	20,000

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5. Raj consigned 2,000 tons of coal at Rs. 50 per ton to Shiva of Mysore. He paid Rs. 20,000 as freight. Due to normal wastage 1,950 tons only were received by Shiva. He paid Rs. 5,000 as unloading charges. Goods sold were 1,300 tons. You are required to calculate the value of closing stock.
6. Calculate the amount of interest included in each instalment. Cash price Rs. 50,000. Down payment Rs. 15,000, three annual instalments of Rs. 20,000, Rs. 15,000 and Rs. 10,000 respectively payable at the end of each year.
7. Moon Ltd, Mysore opened a branch at Mandya on 01-04-2023, prepare Branch Account for the period ending 31-03-2024.

	Rs.
Goods sent to branch	16,000
Cash sent to branch for expenses:	
Salaries	2,000
Rent	480
Other expenses	320
	2800
Cash sales effected by the branch	22,000
Closing stock on 31-03-2024	2,000



SECTION - C

Answer any Three questions. Each question carries 15 marks.

(3×15=45)

8. Mahesh does not maintain proper books of accounts. From the following incomplete information, Prepare Trading and profit and loss account for the year ended 31-03-2024 and the balance sheet as on that date:

Assets and Liabilities	01-04-2023	31-03-2024
Debtors	36,000	50,000
Stock	19,600	26,400
Furniture	2,000	3,000
Creditors	12,000	9,000
Cash on hand	10,000	?

Analysis of other transactions are:

	Rs.
Cash collected from debtors	1,21,600
Cash paid to creditors	88,000
Salaries	24,000
Rent	3,000
Office expenses	3,600
Drawings	6,000
Fresh capital introduced	4,000
Cash Sales	3,000



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Cash Purchases	10,000
Discount received	1,400
Discount allowed	600
Sales returns	2,000
Bad debts	400

9. Gemini Ltd consigned 5,000 kgs of ghee to Bharath Traders, Bengaluru. Each kg of ghee costs Rs. 8. Gemini Ltd. paid Rs. 50 for carriage, Rs. 250 for packing, Rs. 200 for insurance in transit.

After three months Bharath Traders reported 3,500 kg of ghee was sold at Rs. 9.50 per kg and expenses were Rs. 500 on godown rent and Rs. 750 on salesmen salary. Bharath Traders are entitled to a commission of 5% on sales. 500 kgs of ghee was accidentally destroyed in the godown. Insurance claim of Rs. 3,500 was admitted. Prepare the necessary ledger accounts in the books of Gemini Ltd.

10. On 01-04-2024 Harish purchased a machine from HMT Ltd. on hire purchase basis. The particulars are as follows:

- Cash price Rs. 50,000.
- Rs. 20,000 to be paid on signing the contract.
- Balance in Three instalments of Rs. 10,000 plus interest.
- Interest charged on outstanding balance at 5%.
- Depreciation at 10% p.a on diminishing balance method.

Prepare necessary ledger accounts in the books of Mr. Harish under Asset Accrual Method.

11. From the following particulars relating to Kolar Branch for the year ending 31-03-2024. Prepare Branch account in the Head office books.

	Rs.
Stock at Branch on 01-04-2023	17,800
Branch Debtors on 01-04-2023	9,400
Petty cash at Branch on 01-04-2023	40
Goods sent to branch during the year	56,800
Cash sales during the year	31,600
Credit sales during the year	80,800
Cash received from Debtors	75,800
Goods returned by the branch	1,600
Cash sent to branch for expenses:	
Rent	4,000
Salaries	12,000
Petty cash	<u>2,000</u>
	18,000
Stock at Branch on 31-03-2024	10,800
Petty cash at Branch on 31-03-2024	60

[P.T.O.]



12. (A) X Ltd with its Head office in Hubli has a Branch at Hospet. You are given the following particulars relating to Hospet Branch for the year ended 31-03-2024.

	Rs.
Stock at Branch on 01-04-2023	32,600
Petty cash at Branch on 01-04-2023	110
Goods sent to Branch	45,600
Goods returned by the Branch	3,900
Cash sales at Branch	71,900
Cash sent to branch for expenses	
Salaries	12,800
Rent	3,000
Petty cash	2,600
	18,400
Stock at Branch on 31-03-2024	37,100
Petty cash at Branch	90



Prepare Branch Account in the books of Head office.

- (B) Calculate the total purchases from the following information relate to sundry creditors account.

	Rs.
Opening balance of creditors	2,000
Cash paid to creditors	60,000
Goods returned to creditors	10,000
Acceptances issued to creditors	60,000
Discount allowed by creditors	1,350
Closing balance of creditors	4,000

SECTION - D

(Compulsory)

Answer the following question. The question carries 5 marks.

(1×5=5)

13. Prepare a statement of affairs with imaginary figures.
