

**I Semester B.Com. Examination, November/December 2016**  
**(F + R) (CBCS) (2014-15 and Onwards)**  
**COMMERCE**  
**Financial Accounting – I**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer should be written **completely** either in **English** or in **Kannada**.

## SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**
- Mention any two objectives of accounting.
  - List any four accounting standards.
  - Mention any four disadvantages of Single Entry System.
  - What is pure single entry system ?
  - Give the meaning of down payment.
  - What is royalty ?
  - What do you mean by purchase consideration ?

## SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. **(3×6=18)**

- Briefly discuss the users of accounting information.
- From the following information calculate opening stock :

	Rs.
Purchases during the year	55,000
Sales during the year	1,25,000
Closing stock	18,000
Manufacturing expenses	12,000
Carriage inward	2,000
Rate of gross profit was 25% on cost	



4. Calculate the amount of interest and principal included in each instalment.  
 Cash price Rs. 2,00,000  
 Down payment Rs. 50,000  
 Balance in three instalments of Rs. 60,000 each payable at the end of each year.
5. Prepare an Analysis Table from the following details :  
 Royalty payable Rs. 0.50 per ton of output  
 Minimum rent Rs. 7,500 P.A.  
 Shortworkings are recoverable during the first three years of the lease only  
 Output during the first three years 10000, 14000 and 18000 tons respectively.
6. Calculate the amount of Purchase Consideration from the following :  
 The purchasing company agreed to issue 30000 equity shares of Rs. 10 each at a premium of 10%, 1000, 8% preference shares of Rs. 100 each at par, 1000 6% debentures of Rs. 100 each at a discount of 10% and pay cash equal to 25% of the total purchase consideration.

## SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. (3×14=42)

7. Mr. Tejas does not maintain proper books of accounts. From the following information, prepare Trading and Profit and Loss A/c for the year ended 31-3-2016 and the Balance Sheet as on that date.

Assets and Liabilities	1-4-2015	31-3-3016
	Rs.	Rs.
Debtors	18,000	25,000
Stock	9,800	13,200
Furniture	1,000	1,500
Creditors	6,000	4,500
Cash on hand	5,000	?



Analysis of other transactions are :

	Rs.
Cash collected from Debtors	60,800
Cash paid to Creditors	44,000
Salaries	12,000
Rent	1,500
Office expenses	1,800
Drawings	3,000
Foreign capital introduced	2,000
Cash sales	1,500
Cash purchases	5,000
Discount received	700
Discount allowed	300
Return inward	1,000
Bad debts	200

8. Raman purchased a machine costing Rs. 2,40,000 on 1-4-2013 from Bangalore Machines Ltd. under Hire Purchase System. The terms being Rs. 60,000 down and the balance in three equal annual instalments together with interest at 20% P.A. on the outstanding cash price. Depreciation is to be charged at 15% P.A. under Diminishing Balance Method.

Prepare necessary Ledger Accounts in the books of Raman till 31-3-2016 under Asset Accrual method.

9. X Co. Ltd. took a lease from a landlord for a period of 25 years from 1-1-2010 on a royalty of Rs. 2 per ton of coal raised with a minimum rent of Rs. 20,000 and power to recoup shortworkings during the first four years of the lease. The annual output was as follows.

Year	Tons
2010	5000
2011	8000
2012	10000
2013	15000
2014	20000

Prepare Minimum Rent A/c, Royalty A/c, Shortworkings A/c and Landlord A/c.



10. A, B and C carrying on business in partnership sharing Profits and Losses in the ratio of 4 : 3 : 1 respectively. On 31-3-2016 they agreed to sell their business to a Limited Company. Their position on that date was as follows.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Sundry creditors	40,000	Freehold property	90,000
Loan	20,000	Machinery	60,000
Capitals :		Debtors	75,000
A	1,00,000	Stock	65,000
B	75,000	Cash	10,000
C	65,000		
	<b>3,00,000</b>		<b>3,00,000</b>

The company took over the following assets except cash :

Freehold property Rs. 1,10,000, Machinery Rs. 55,000, Debtors Rs. 70,000, Stock Rs. 60,000, Goodwill Rs. 20,000.

The company also agreed to pay the Creditors which were agreed at Rs. 38,500. The company paid Rs. 1,68,000 in fully paid shares of Rs. 10 each and the balance in cash. The expenses amounted to Rs. 2,500.

Prepare necessary Ledger Accounts in the books of the firm.

11. A) Calculate the cash price of an asset from the following details :

Down payment	Rs. 6,000
I instalment (payable at the end of I <sup>st</sup> quarter of the year)	Rs. 7,200
II instalment (payable at the end of II quarter of the year)	Rs. 6,900
III instalment (payable at the end of III quarter of the year)	Rs. 6,600
IV instalment (payable at the end of IV quarter of the year)	Rs. 6,300
Rate of interest = 20% P.A.	

- B) Prepare an Analysis Table from the following details :

- Minimum rent Rs. 20,000 P.A.
- Royalty payable Rs. 5.00 per ton.
- Shortworkings can be recoverable during the first 3 years of the lease only.
- The production for the past 4 years were as follows :
  - 2012 - 2000 tons
  - 2013 - 3000 tons
  - 2014 - 4000 tons
  - 2015 - 4500 tons