



DCBC101

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I Semester B.Com.(Regular)/LSCM/A&F/TTM/IAS/DA. Degree Examination,  
April - 2023  
**COMMERCE**  
Financial Accounting  
(NEP-CBCS Scheme Freshers and Repeaters)  
Paper : 1.1

Time : 2½ Hours

Maximum Marks : 60

*Instructions to Candidates:*Answers should be written **completely** in English only.**SECTION - A**Answer **any FIVE** sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a) Define Accounting.
- b) Write any two Indian Accounting standards.
- c) What is prepaid expenses?
- d) Mention any four users of accounting.
- e) What is meant by proforma invoice?
- f) What is minimum Rent?
- g) Give the meaning of environmental Accounting.

**SECTION - B**Answer **any FOUR** questions. Each question carries 5 marks. (4×5=20)

2. Explain various functions of accounting.
3. What are the advantages of Green Accounting?

**(OR)**

Prepare accounting equation from the following.

- i) Commenced business with cash Rs. 5,00,000.
- ii) Bought computer for Rs. 1,00,000.
- iii) Bought goods for cash Rs. 50,000.
- iv) Sold goods for cash Rs. 70,000.
- v) Paid salaries Rs. 50,000.

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4. From the following information prepare a manufacturing account of Manish and find out cost of production for the year ending 31.3.2022.

i) Opening stock on 1.4.2021

Raw materials Rs. 1,50,000

Work in progress Rs. 50,000.

ii) Closing stock on 31.3.2022

Raw materials Rs. 82,500

Work in progress Rs. 18,000.

iii) Purchase of Raw materials Rs. 3,75,000.

iv) Direct wages Rs. 85,000.

v) Manufacturing expenses Rs. 82,500.

vi) Carriage inwards Rs. 30,000.

5. Manjesh coal company Ltd. took a lease of a mine on a royalty of Rs. 10 per ton of coal raised. The minimum Rent is Rs. 60,000 p.a. Right to recoup short working within a period of first 3 years. The output for first 4 years were as follows.

Year	Output (Tons)
1	2,000
2	6,800
3	16,000
4	24,000

Prepare an Analysis Table of Royalty.

6. Mr. Raju Consigned 50,000 units costing Rs. 5 each to Mr. Vishnu. Mr. Raju incurred Rs. 10,000 for sending the goods. 2500 units were abnormally destroyed in transit. Mr. Vishnu took delivery and paid Rs. 1500 as unloading charges. Consignee sold 30,000 units at Rs. 10 each consignee paid selling expenses of Rs. 10,000.

Calculate the value of unsold stock.



## SECTION - C

Answer any TWO questions. Each question carries 12 marks.

(2×12=24)

7. Trial balance of Mr. Aniruddha.. a sole trader, for the year ending 31.3.2022 is as follows.

Particulars	Debit (Rs.)	Credit (Rs.)
Drawings and capital	6,820	93,230
Purchase and sales	83,290	1,26,177
Debtors and creditors	47,800	22,680
Returns	7,422	3,172
Wages	9,915	-
Manufacturing expenses	2,500	-
Stock on 1-4-2021	21,725	-
actory fuel and power	542	-
Office salaries	3,745	-
Factory lighting	392	-
Carriage outward	960	-
Plant and machinery	55,000	-
Furniture	1,720	-
Bills payable	-	6,422
Travelling expenses	925	-
Cash in hand	2,493	-
Rent and taxes	1,765	-
Office expenses	2,778	-
Discount allowed	422	-
Insurance	570	-
Carriage inwards	897	-
	<b>2,51,681</b>	<b>2,51,681</b>

**Adjustments :**

1. Stock on 31.3.2022 Rs. 16,580.
2. Insurance prepaid Rs. 70.
3. Wages outstanding Rs. 800 outstanding salaries Rs. 350, outstanding Rent Rs. 150.
4. Depreciate plant and machinery by 5% and furniture by 10%.
5. Reserve 2½% of debtors for bad debts.

Prepare trading profit and loss A/c and balance sheet.

8. Mr. Ram has patent of safety locks. He gave the right of manufacture and sale of lock to national traders for 20 years on the following terms :

Royalty will be at Rs. 10 on each lock sold and minimum rent is Rs. 1,00,000 per year.

Accounts are closed on 31st December every year. Sales of locks are as follows.

Year :	1	2	3	4
No. of locks sold :	8000	9000	11000	18000

Prepare necessary ledger accounts in the books of national traders, if the amount of royalty is less than minimum rent, the deficit which is known as short workings can be recouped in the first 3 years of the lease.



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9. Arun and Varun entered into an agreement that Varun will be the Agent for the edible oil manufactured by Arun following are the details of transactions between them  
consignment sent 1000 kgs of oil at Rs. 15 per kg, consignment received by Varun 980 kgs of oil the rest being lost in transit which is normal commission allowed 3% on sales.  
Expenses incurred by Arun  
Package Rs. 2,800.  
Insurance Rs. 1,000.  
Expenses incurred by Varun.  
Clearing charges Rs. 800  
Office expenses Rs. 1,000.  
Varun sold 800 kgs at Rs. 25 per kg calculate the value of closing stock and prepare ledger accounts in the books of Arun.

(OR)

Bangalore H.O. invoices goods to its Mysore Branch at 20% profit on sales price. Mysore Branch sends cash daily to the H.O. and all expenses are paid by the H.O. except for petty expenses which are met by the branch manager. Prepare the branch account (with necessary workings) in the books of H.O.

Stock on 1.4.2021 (Invoice price)	15,000
Debtors on 1.4.2021	9,000
Cash on 1.4.2021	400
Furniture on 1.4.2021	1,200
Goods received from H.O. (Invoice Price)	81,000
Goods returned by debtors	480
Cash received from debtors	30,000
Cash sales	50,000
Total sales	80,000
Discount allowed to debtors	300
<b>Expenses paid by H.O.</b>	
Rent	1,200
Salary	2,400
Stationery	300
Petty expenses paid by branch manager	280
Stock on 31.3.2022 (Invoice price)	14,000
Depreciation on furniture at 10% p.a.	

**SECTION - D**

Answer any ONE question. Each question carries 6 marks.

(1×6=6)

10. What is an account sales? Draft an Account sales to the consignor with imaginary figures.  
11. Prepare Royalty table with imaginary figures.