

**Faculty of Commerce**  
**B.Com. I-Year, CBCS - II Semester Examinations, May/June 2019**  
 (For All Streams of B.Com)

**PAPER: FINANCIAL ACCOUNTING-II**

Time: 3 Hours

Max Marks: 80

**Section-A**

I. Answer any FIVE of the following questions.

(5x4=20 Marks)

1. What do you mean by Renewal of a Bill?
2. What are the differences between Consignment and Sale?
3. What are the differences between Joint venture and Partnership?
4. What are the defects in Single Entry System?
5. Ajantha cycles Ltd, Hayana Consigned 100 cycles to SriRam Cycles, Chennai.

Prepare account sales from the details given below.

Sales :        50 cycles at ₹ 1,400 each  
                   20 cycles at ₹ 1,500 each

Consignee expenses: freight ₹ 5,000

Godown Rent ₹ 2,000

Other expenses ₹ 1,000, consignee commission 10%

6. Calculate total sales from the following data

Purchases            ₹ 1,40,000

Opening stock        ₹ 45,000

Closing stock        ₹ 98,000

Rate of gross profit 25% on cost

7. From the following calculate subscriptions to be credited to Income and Expenditure Account for the year 2008-09

Subscriptions received during 2008-09                    ₹ 90,000

Subscriptions received in advance on 31-3-08            ₹ 18,000

Subscriptions outstanding as on 31-3-08                 ₹ 18,000

Subscriptions outstanding for the year 2008-09        ₹ 12,000

8. What is Capital Expenditure and Revenue Expenditure?

**Section-B**

II. Answer the following questions.

(5x12=60 Marks)

9. (a) Explain the term "Dishonor of a bill" and give Journal entries in the books of both the parties when bill is dishonored.

(OR)

- (b) On 1-12-2014, Ramu sold goods to Deepu with ₹ 50,000 for which he drew a bill payable after 3 months. The bill was accepted by Deepu and discounted by Ramu for ₹ 49,500. On maturity the bill was dishonored and noting charges ₹ 200 to be paid. Deepu accepted a new bill for ₹ 50,500 (including ₹ 300 for Interest) payable after 2 months. Pass necessary Journal entries in the books of both the parties.

- 10.(a) Explain the difference between

i) Proforma invoice and Account sales

ii) Ordinary commission and Delcredere commission

(OR)

- (b) A consignor sent 100 units costing ₹ 1,500 each to his agent at Jabalpur. The expenses paid by consignor ₹ 10,000. In transit, 5 units were damaged due to bad handling and an Insurance claim of ₹ 7,000 could be received. The consignee took delivery of remaining units and incurred direct expenses of ₹ 2,850 and Indirect expenses of ₹ 1,500. He sold 80 units at ₹ 2,000 each and his commission is 5% Prepare necessary ledger Accounts in the books of both the parties.

- 11.(a) Explain the different methods of maintaining Joint Venture Accounts.

(OR)

- (b) A and B entered into a Joint Venture Contributing ₹ 10,000 and ₹ 8,000 respectively sharing profits & losses in ratio of 3:4. Purchases are ₹ 16,000 and sales amounted ₹ 20,000. Remaining stock is taken over by 'B' for ₹ 1,000. Expenses paid are ₹ 800. 'A' drew ₹ 4,000 from Joint Venture. Pass necessary Journal entries and show ledger accounts in separate Joint Venture Books.

- 12.(a) What are the differences between

- i) Single entry system and Double entry system
- ii) Statement of Affairs and Balance Sheet

(OR)

- (b) From the following details of Srinivas prepare Profit & Loss Account for the year ended 31-3-2016 and Balance sheet as on that date.

Balances on 1-4-2015	Cash in Hand	₹ 40,000
	Cash at Bank	₹ 2,80,000
	Sundry creditors	₹ 1,50,000
	Sundry Debtors	₹ 2,30,000
	Stock	₹ 3,50,000
	Fixed Assets	₹ 2,00,000

Srinivas Capital Account ₹ 7,50,000

Srinivas Current Account ₹ 2,00,000

During the year creditors were paid ₹ 2,60,000 in cash and ₹ 15,50,000 in cheques. The debtors paid ₹ 5,55,000 in cash and ₹ 19,00,000 by crossed cheques. The closing balances were sundry creditors ₹ 3,50,000 sundry debtors ₹ 2,70,000. All the expenses were paid by cheques except petty expenses of ₹ 75,000 were paid in cash. Outstanding expenses ₹ 20,000 net profit for the year was ₹ 4,10,000 after allowing 10% depreciation on fixed Assets. Closing stock ₹ 7,50,000 drawings during the year ₹ 1,00,000 in cash and ₹ 1,40,000 by cheques.

- 13.(a) What are the differences between receipts and payment Account and Income and Expenditure Account.

(OR)

- (b) From the following information Prepare Income & Expenditure Account and Balance sheet as on 31-3-2010.

## Receipts and Payments Account

Receipts	₹	Payments	₹
To balance b/d	5,000	By salaries	12,000
To subscriptions	20,000	By stationery	1,000
To sale of furniture	2,000	By rent & Taxes	4,000
		By machinery (purchased on 1-10-2009)	7,000
To interest on Investments	10,000	By Government Bonds	10,000
		By Balance c/d	3,000
	37,000		37,000

1. Provide depreciation on machinery 10%
2. Book value of furniture ₹ 1,500

	1-4-2009	31-3-2010
Outstanding subscriptions	3,000	5,000
Subscriptions received in advance	1,000	800
Stock of stationery	100	200
Interest receivable on investment	2,500	1,500
Outstanding salaries	1,500	1,000

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