

COURSE CODE: BCOC-131
BACHELOR IN COMMERCE (BCOMOL)
PROGRAMME CODE: BCOMOL
FINANCIAL ACCOUNTING

Total Marks-100

Time Duration-180 Minutes

Note : Attempt all three Sections. i.e., Section A, Section B and Section C.

Section-A (5×4=20)

Note : Attempt any five questions. Each question carry equal marks.

1. Explain the components of Tally.
2. What is Suspense Account?
3. What is alancing an Account? Explain, how an account is balanced.
4. What are one-sided errors? Give four examples.
5. Distinguish between outstanding expenses and prepaid expenses. Give one example each.
6. Give closing entries of Trading and Profit and Loss Account.
7. How does Debit Note differ from Credit Note?

Section-B (5×10=50)

Note : Attempt any five questions. All questions carry equal marks.

8. Bharat and Surjit joined together as co-ventures for equal share in profits through sales of television cabinets on March 31, 2020. Bharat purchased Rs. 2,000 cabinets at Rs. 1,250 each for cash and sent Rs. 1,500 of these to Surjit for sale, the selling price of each being Rs. 1,300. All the cabinets were sold by April 30, 2020 by both and the proceeds collected. Each venturer recorded in his books only those transactions concluded by him, final profit and loss being ascertained through a Memorandum Joint Venture Account. The expenses met by the venturer were:

	Rs.
Bharat, freight and insurance	12,000
Selling expenses	5,000
Surjit, clearing charges	1,000
Selling expenses	12,000

Final settlement between the venturer took place on May 31, 2020. You are required to show

a) Joint venture with Surjit A/c in books of Bharat.

b) Joint venture with Bharat A/c in the books of Surjit.

9. On June 10, 2020, Modi & Co., Patiala consigned 500 cases of goods costing Rs. 150 each to Sethi & Co., Calcutta. On the same date, the consignor paid Rs. 2,500 for freight and carriage, Rs. 1,000 as loading charges, and Rs. 1,200 for insurance. On July 1, 2020 the consignee paid Rs. 1,800 for clearing charges, Rs. 1,750 for warehousing and storage charges, and Rs. 900 for packaging and selling expenses. He also remitted a bank draft for Rs. 15,000 as an advance against the consignment. On July 5, 2020 they sold 275 cases at Rs. 200 each. Sethi & Co. are entitled to 5% commission on the gross proceeds of sales. It is found that 50 cases have been lost in transit. Sethi & Co. submitted an Account sale on July 10, 2020. Prepare the Consignment Account in the books of consignor.

10. Briefly explain the following concepts:

a) Conservatism concept

b) Full disclosure concept

11. Define computerized accounting system. Distinguish between Manual and Computerized accounting system.

12. The Trial Balance of Siva did not Tally. The credit side exceeded by Rs. 1,455. This amount was entered in the debit column against Suspense Account and the Trial Balance was made to Tally.

Later the following errors were discovered :

i) Goods worth Rs. 1,250 were sold to Mahesh on credit. This was entered in the sales book but was not posted.

ii) Goods worth Rs. 313 were returned by Ahmed. The amount was credited to his account but was not recorded in the Return Inwards Books.

- iii) Manoj paid Rs. 670 but his account was wrongly credited with Rs. 607.
- iv) An amount of Rs. 375 owned by Dinesh was omitted from the schedule of Sundry debtors.
- v) The sales book was undercast by Rs. 420.

Rectify the errors by journal entries.

13. Distinguish between Joint venture and Consignment.

14. Home Appliances Ltd. sells good on hire purchase terms at a profit of 25% on hire purchase price. Following are the transactions for the year ended December 31, 2018 :

		Rs.
January 1	Stock out on hire at cost	6,000
	Stock on hand (at shop)	1,000
	Instalment due	600
	Cash received	16,000
December 31	Stock out on hire (at cost)	6,900
	Stock on hand (at shop)	1,400
	Instalment due	1,000

Prepare their purchase trading account.

Section-C (2×15=30)

Note : Attempt any two questions. All questions carry equal marks.

15. Arvind and Babloo entered into a joint venture agreeing to share profit and losses equally. The following transactions took place during the course of venture:

	Rs.
Arvind bought goods for cash	2,550
Babloo bought goods for cash	7,000
Arvind paid storage charges	500
Babloo paid freight and insurance	800
Babloo sold goods for cash	7,000
Babloo received 3% commission on sales	210
Sales made by Arvind	5,000

Commission payable to Arvind 150

Babloo took over the unsold stock 560

Prepare the necessary ledger, accounts in the books of Arvind assuming that the accounts are finally settled between them.

16. From the following Trial Balance of Pitam Stores, prepare Trading and Profit and Loss Account for the year ended December 31, 2020 and the Balance Sheet as on that date:

Account	Trial Balance	
	Debit Balance (Rs.)	Credit Balance (Rs.)
Capital		60,000
Drawings	5,000	
Purchases	1,00,000	
Sales		2,10,000
Opening Stock	20,000	
Wages	15,000	
Wages outstanding		5,000
Carriage Inward	2,000	
Salaries	13,000	
Insurance	1,500	
Insurance Prepaid	1,500	
Income from Investments		30,000
Accrued Income from		
Investment	10,000	
Machinery	50,000	
Buildings	95,000	
Cash in hand	2,000	
Debtors	35,000	
Creditors		60,000
Depreciation on		
Buildings	5,000	

Rent	10,000	
	3,65,000	3,65,000

17. Describe the advantages and limitations of accounting.