



## I SEMESTER BCOM EXAMINATION – MARCH/APRIL – 2022

## SCHEME – SEMESTER – CBCS (NEP)

121

## FINANCIAL ACCOUNTING - I

Time: 2 ½ Hours

Max Marks: 60

Instructions to Candidate: Answer all parts.

## PART – A

Answer any FIVE of the following. Each Question carries 2 Marks: 5x2=10

1. Define Accounting.
2. State 3 branches of accounting.
3. What is INDAS?
4. What are the features of hire purchase system?
5. What is Installment system?
6. Mention two rights of a hire vendor.
7. What is minimum rent?

## PART – B

Answer any TWO of the following. Each Question carries 10 Marks: 2x10=20

8. Explain the significance of GAAP in accountancy.
9. a) Distinguish between Sale & hire purchase.  
b) Distinguish between Hire purchase system & installment system.
10. Mahesh acquires a Machinery on installment basis from Surath Ltd. The cash price was ₹ 74,600. ₹ 20,000 was to be paid immediately and agreed to pay the balance in three annual equal instalments of ₹ 20,000 each. Interest is charged by the seller at 5% p.a.  
Depreciation has to be provided at 20% on original cost.  
Pass journal entries in the books of Mahesh for 3 years.
11. Prepare an analytical table of royalties from the following details?  
Minimum rent ₹ 20,000 p.a.  
Royalty ₹ 2 per ton of ore raised

PTO



Short workings are recoverable during the first 3 years of the lease only the output for the first 4 year was :

- 2018 – 2,000 tons
- 2019 – 5,000 tons
- 2020 – 15,000 tons
- 2020 – 20,000 tons

### PART – C

Answer any **TWO** of the following. Each Question carries 15 Marks: **2x15=30**

12. What is IFRS? Explain its features and objectives.
13. Mathura Transport Co. purchased a Motor Lorry from Mangalore Motor Co. on hire purchase agreement on 1<sup>st</sup> January 2018, paying cash ₹ 40,000 on delivery and agreeing to pay three further instalments of ₹ 76,000 at the end of the first year, ₹ 60,000 at the end of the second year and ₹ 55,000 at the end of the third year. Interest at 10% p.a. is included in these instalments.

Mathura Company charged depreciation on the Motor Lorry at 20% p.a on the diminishing balance.

Prepare necessary accounts in the books of Mathura Transport Company. Show cash price & interest calculation also.

14. On 1<sup>st</sup> January 2016, Nyveli Collieries Ltd. leased some land from a Land Lord for a minimum rent of ₹ 60,000 for the first year, ₹ 1,00,000 in the second year & there after ₹ 2,00,000 p.a. merged into a royalty of ₹ 5 per ton with power to recoup short workings over two years after the occurring of short workings. The annual output for the 5 years ending 31<sup>st</sup> December 2020 were as follows:

- 2016 – 6000 tons
- 2017 – 17,200 tons
- 2018 – 44,000 tons
- 2019 – 36,000 tons (strike for 3 months)
- 2020 – 60,000 tons

There was a provision in the lease that in the event of a strike and the minimum rental not being reached, the actual royalties earned for the year discharges all rental obligations for that year.

Prepare:

- a) Royalties A/c
- b) Short –working A/c
- c) Landlord's A/c in the books of Nyveli Ltd.

PTO



15 From the following Trial Balance & other adjustments, prepare final accounts:

Particulars	Debit ₹	Credit ₹
Machinery	78,000	-
Furniture	2,000	-
Capital	-	1,00,000
Purchases & Sales	60,000	1,27,000
Return	1,000	750
Stock	30,000	-
Discount	425	800
Debtors & Creditors	45,000	25,000
Salaries	7,550	-
Wages	10,000	-
Carriage outwards	1,200	-
Provision for Bad debts	-	525
Rent	10,000	-
Advertisement	2,000	-
Cash	6,900	-
	2,54,075	2,54,075

**Adjustments:**

- a) Closing stock ₹ 34,220
- b) Provision for bad debts is to be kept at ₹ 600
- c) Allow interest on capital at 10% p.a.
- d) Depreciate machinery by 10% & furniture by 5%
- e) Outstanding salary ₹ 550.

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