

First Year B.Com. Degree Examination
August/September 2010

(Directorate of Distance Education Course)

(Freshers)

COMMERCE

Paper: Financial Accounting - I

Time: 3 hrs]

[Max.Marks: 80

PART - A

I. Answer any THREE questions. 5 marks each.

3 X 5 = 15 Marks

1. What are Subsidiary Books? Name them.
2. States the differences between Joint venture and Consignment.
3. Define Accounting? State the different kinds of accounts and their rules.
4. What do you mean by Single entry? State its advantages.
5. Define Depreciation. Why it is provided for?

PART - B

II. Answer any TWO questions. 10 marks each.

2 X 10 = 20 Marks

6. From the following particulars, prepare the "Manufacturing Account" of Mr. M. Gujjar and find out cost of production for the year ended 31.3.2010.

Particulars	Rs.	Particulars	Rs.
<u>Opening Stock</u>		Hire of special plant	10,000
Raw Materials	30,000	Carriage inwards	15,000
Work-in-progress	40,000	Factory rent	30,000
Finished goods	1,80,000	Repairs to plant	15,000
<u>Closing Stock</u>		Supervision Salary	70,000
Raw Materials	15,000	Wages (indirect)	15,000
Work-in-progress	40,000	Works manger's salary	70,000
Finished goods	1,35,000	Royalties on production	15,000
Purchase of Raw materials	3,50,000		
Wages	2,50,000		
Light, Gas, etc	10,000		

Furniture and fixtures	8,000	-
Patent right	60,000	-
Patent rights	40,000	-
Stock on 1.4.2009	40,000	-
Purchase of sale	1,70,000	2,64,000
Salaries	14,800	-
Wages	30,000	-
Sundry Debtors and Creditors	40,800	24,000
Loan form Raju @ 6% p.a. from 1.10.09	-	20,000
Postage and telegram	3,000	-
Rent rates and taxes	7,200	-
Bad debts	800	-
Discount	-	1,600
Trade expenses	800	-
Interest on Loan from Raju	300	-
Insurance charges	1,600	-
Travelling expense	1,000	-
Sundry expenses	600	-
Cash in hand and Cash at Bank	26,700	-
	4,69,600	4,69,600

Adjustments:

- a) Stock as on 31.3.2010 valued @ Rs. 54,400
 - b) Depreciate plant and machinery @ 20% and furniture of fixtures @ 10% p.a.
 - c) Of the debtor Rs. 800 are bad and to be written off and required to maintain a reserve of 5% on debtors for doubt full debts and 2% on debtors for discount on debtors.
13. Srinivas Rao consigned 10,000 kg of Tea, Costing Rs. 80 per kg to his agent, Dinesh on March 1 2009, who was get a commission of 5%. The following expenses were incurred in connection with the consigned.
- a) By the consignor: Fright and Insurance Rs. 2000
Other expenses Rs. 800
 - b) By the consignee: Godown Rent and Insurance Rs. 1600
Miscellaneous expenses Rs. 2800.

Box containing 400 kg of Tea was damaged in transit and the content had to be destroyed on landing as having unfit for sales 7000 kg of was was sold at Rs. 120 per kg. on 31.8.2009, and the balance remained unsold in stock.

Draw up the necessary ledger account in the books of Srinivas Rao showing the amount due from Dinesh on 31.3.2009.

14. From the following Receipts and Payments account and additional information of a club, prepare Income and Expenditure A/c and Balance Sheet of the club.

Receipts and Payments A/c for the year ended 31.12.2009.

Receipts		Rs.	Payments		Rs.
To	Cash Balance on 1.1.2009	7,280	By	Salaries	1,600
"	Subscription	36,000	"	Wages	1,400
"	Entrance Fees	4,000	"	Subscription to periodically	160
"	Sale of sports materials	1,000	"	Remuneration to artist	8,000
"	Sale of old newspapers	140	"	Purchase of sports materials	6,400
"	Sale of old furniture	1,200	"	Purchase of investment	2,000
"	Rent	6,000	"	O/S creditor of last year	1,000
"	Donation	3,000	"	Library books	24,000
			"	General expenses	3,000
			"	Cash balance	11,060
		58,620			58,620

Other Information:-

	1.1.2008	31.12.2008
O/s Creditors	1,000	-
O/s subscription	1,200	1,400
Library books	6,000	27,000
O/s	1,000	1,600
Sports materials	10,000	15,400
Rent received in advance	1,600	800
O/s entrance fees	1,200	-
Furniture	8,000	-