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B.M.S. COLLEGE FOR WOMEN, AUTONOMOUS
Bengaluru-560004.

SEMESTER END EXAMINATION – January/February 2023
B. Com (A & F) / B.D.A

FINANCIAL ACCOUNTING
(NEP Scheme 2022-23 onwards)

Course Code: BAF01DSC01
Duration: 2 ½ Hours

QP Code:1036
Max. Marks: 60

Instructions to Candidates:
Answer should be written completely in English

SECTION-A

I. Answer any FIVE of the following questions. Each question carries TWO Marks. (5X2=10)

- Mention any two objectives of Accounting.
- List any four Accounting concepts.
- What do you mean by recoupment of short workings?
- Define Big data.
- What is pure single-entry system?
- Give the meaning of Inflation Accounting.
- How do you treat outstanding wages in final accounts?

SECTION- B

Answer any FOUR of the following question. Each question carries FIVE Marks. (4X5=20)

- What are the merits and demerits of HR accounting?
- From the following balances, prepare Trading Account in vertical form for the year ending 31st March 2021.

Particulars	₹
Stock at the beginning	40,000
purchases	1,20,000
Sales	1,80,000
Wages	10,000
salaries	20,000
Carriage inwards	1,000
Power	1,000
Returns inward	2,000
Returns outward	2,000
Stock at the end	42,000

4. On 1st January 2017 Akash Mining Company entered into an agreement with the owner of the Coal Mine on the following terms:
- A royalty of ₹15 per ton of coal raised
 - A minimum rent of ₹45,000 P A
 - The recovery of short workings within a period of first 4 years
 - The output during the first 5 years was:

Year	2017	2018	2019	2020	2021
Output in tons	1,900	2,050	2,800	3,600	4,600

Prepare royalty analysis table.

5. From the following information, calculate Credit purchases and Credit sales.

Particulars	₹
Opening debtors	28,000
Closing debtors	20,000
Opening creditors	16,000
Closing creditors	19,000
Cash received from debtors	12,800
Cash paid to creditors	4,000
Discount earned	400
Discount allowed	800
Bills receivable from debtors	5,000
Bills payable issued to creditors	11,600
Bad debts written off	600

6. Explain the uses of accounting information.

SECTION- C

Answer Any TWO of the following question. Each question carries TWELVE Marks.

(2X12=24)

7. Mr. Veera has patent of safety locks. He gave the right of manufacture and sale of lock to Bharat Traders for 15 years on the following terms:
Royalty will be at ₹5 on each lock sold and minimum rent is ₹1,00,000 per year. Accounts are closed on 31st December every year. Sale of locks are as follows:

Year	2017-18	2018-19	2019-20	2020-21
No. of locks sold	16,000	18,000	22,000	36,000

If the amount of royalty is less the minimum rent, the deficit which is known as short workings can be recouped in the following two years of the year of deficit.

Prepare Royalty a/c, Short workings a/c and Veera's a/c in the books of Bharat Traders.

8. Vishnu carries on a grocery business and does not keep his books on a double entry basis. The following particulars have been extracted from his books:

	1.4.2020	31.3.2021
Plant & Machinery	36,000	36,000
Stock	16,000	14,000
Sundry Debtors	4,000	6,000
Sundry Creditors	10,000	9,320
Cash	8,000	?

Analysis of his cash book for the year ending 31.3.2021 showed the following:

Particulars	₹
Wages	12,000
Sundry expenses	5,000
Advertising	2,240
Rent and rates	5,000
Carriage inwards	4,920
Cash received from debtors	1,65,000
Cash paid to creditors	1,28,680
Drawings	6,240

During the financial year 2020-21, Vishnu had taken from his business for his own consumption goods which amounted to ₹1,560. Purchase returns during the year were ₹4,000 and sales returns were ₹2,000. Depreciate machinery by 5%.

Prepare trading and profit and loss account for the year ending 31st March 2021 and Balance sheet as on that date.

9. Following is the Trial Balance of M/S Bangalore Traders as on 31.3.2020.

Particulars	Debit ₹	Credit ₹
Capital	-	80,000
Stock (1-4-2019)	51,000	-
Purchases & Sales	2,20,000	3,30,000
Returns	3,800	1,000
Trade expenses	1,800	-
Wages	12,000	-
Salaries	18,700	-
Travelling expenses	3,200	-
Advertisement	1,550	-
Rent and Taxes	4,900	-
Discount received	-	2,200
Bank interest	850	-
Bad debts	2,500	-
Buildings	95,000	-
Machinery	98,000	-
Debtors & Creditors	45,000	54,500
Loan	-	75,000
Cash	1,400	-
Bills payable	-	23,000
Drawings	11,000	-
Bank overdraft	-	5,000
	5,70,700	5,70,700

Additional information:

- Create reserve for doubtful debts at 5% on sundry debtors
- Rent prepaid amounted to ₹1,200

- c. Depreciate machinery 10%.
- d. Provide to be made for outstanding wages ₹1,600 and salaries ₹2,000
- e. Closing stock ₹40,000.

Prepare statement of Profit and Loss and Balance Sheet.

SECTION- D

Answer Any ONE of the following questions, which carries SIX Marks.

(1X6=6)

- 10. List any six Indian Accounting standards.
- 11. Give the format of Bills Receivable & Bills Payable Account.

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