**MODEL QUE PAPER**

**C-111 - FINANCIAL ACCOUNTING - I**

**TIME: 03 HOURS MAX.MARKS: 90**

**GROUP A**

Answer **any three** questions.

Q.1 The under mentioned Trial Balance was extracted from the books

of Mr. Rangappa on 31-12-2008

**Debit** **Credit**

Land and Buildings 60,000 \_

Plant and Machinery 1,00,000 \_

Debtors and Creditors 91,000 59,400

Purchases and Sales 2,28,200 4,06,000

Returns 6,000 5,200

Drawings and Capital 16,000 2,10,000

Rent for 11 months 13,332 \_

Advertising 20,000 \_

Out Standing Salary \_ 5,000

Salaries 25,000 \_

Stock on 1-1-2008 70,668 \_

Wages 25,000 \_

Carriage inwards 3,200 \_

Printing and Stationary 2,000 \_

Discounts 1,600 2,400

Commission 3,000 2,000

Cash 25,000 \_

The following adjustments are to be made :

1) Stock on 31st December 2008 amounted to Rs. 20,000.

2) One months rent is outstanding.

3) Interest on capital at 4% p.a. to be taken into account.

4) Depreciate Land and Buildings at 5% and Plant and Machinery

at 10%.

5) Provide for doubtful debts at 10% on debtors.

From the above details prepare Trading and Profit and Loss A/c for

the year ended 31 Dec. 2008.

Q.2 Given below in the Receipts and Payments Account of Sharma

Sports Club for the year ended 31-12-2008.

**Receipts Rs. Payments Rs.**

To Balance B/d (1-1-2008) 6,000 By Printing 800

To Subscription 16,800 By Rent and Taxes 3,300

To Sale of old furniture 1,620 By Salaries 8,400

To Tournament fund 21,200 By Wages 3,600

To Sale of old News paper 180 By Up keep of grounds 5,000

To Entrance fees 6,000 By Sports materials 10,600

To Proceeds from drama 4,200 By Balance C/d (31-12-2008) 24,300

**56,000 56,000**

**Balance Sheet as on 31-12-2007**

**Liabilities Rs. Assets Rs.**

Subscription for 2008 1,000 Cash 6,000

Capital fund 49,800 Subscription o/s 800

Furniture 9,000

Sports equipments 35,000  **50,800** **50,800**

**Adjustments :**

1. At the end of the year subscription o/s were Rs. 1,200.
2. Furniture is to be depreciated by 10%
3. Half of the entrance fee are to be capitalized.

Prepare Income and Expenditure A/c for the year ended 31-12-

2800 and a balance Sheet as on that date.

Q.3 Sri Somanna commenced business on 1-1-2008 with a capital of

Rs. 1,00,000. He maintained his books of accounts under single

entery system. The following information is obtained from his

books of accounts.

Goods purchased (including cash purchased of Rs. 40,000)

amounting to Rs. 1,50,000. Drawings Rs. 10,000, Salaries Rs.

16,000, Bad bebts Rs. 4,000, Wages Rs. 1,000, Business Expenses

Rs. 6,000, Discount allowed Rs. 6,000, Discount received Rs.

5,000, Goods sold (Including Credit sales Rs. 1,40,000) Rs.

2,00,000, Furniture purchased on 1-7-2008 Rs. 20,000.

Sri Somanna paid his son’s school fees Rs. 2,000 from the business

and took goods worth Rs. 8,000 for his personal use but not

entered both the transactions in the books.

Other balances on 31-12-2008 Were as follows :

Stock Rs. 40,000, Debtors Rs. 80, 000 and Creditors Rs. 30,000.

Depreciate furniture at 10% per annum and provide for RBD at 5%

on debtors.

Prepare Sri Somanna’s Trading and Profit and Loss Account and

Balance Sheet as on 31-12-2008.

Q.4 Guru and Raju undertake jointly the construction of a shopping complex at Mysore for Megha Mala Ltd. The contract price is agreed at Rs. 20,00,000 payable in cash Rs. 18,00,000 and the balances in fully paid debentures of the contractee company each of the value of Rs. 100. A bank account was opened in their joint names to which Guru contributed Rs. 5,00,000 and Raju Rs. 3,00,000. The following expenses were incurred in connection with the contract:

Materials purchased and paid from Joint Bank Account Rs. 6,50,000

Materials supplied by Guru Rs. 54,000

Wages paid from Joint Bank Account Rs. 5,24,000

Architects fees paid by Raju Rs. 50,000

General expenses Paid from Joint Bank Account Rs. 2,22,000

The building was completed and the contract price was received in full.

The venture was closed by Raju taking over the debentures at an agreed price of Rs. 1,60,000 and Guru taking over the remaining stock at Rs. 30,000

Prepare (a) Joint Venture A/c

(b) Joint Bank Account

(c) Co Venture’s A/c (15)

Q.5 Kaveri Coffee Traders Madikeri consigned 5,000 kgs of coffee power to Santhosh coffee house Mysore on 1st Jan 2009.The cost of the coffee power was Rs. 60 per kg. They paid Rs. 6,000 on Fright and insurance. During transits 150 kgs were destroyed due to rain.

Santhosh Coffee House took delivery of consignment on 10th Jan2009 and immediately accepted a bill for Rs.1,20,000 for 3 months.

On 30th May 2009, the Consignee reported that 4000 kgs were sold at Rs. 80 per kg. The expenses paid by Santhosh coffee house were:

Rent Rs. 3,600, Salary Rs. 4,000, Advertisement Rs. 1,000, Communication Payable to the consignee was 2% plus 1% delcredere. Assuming that the consignee paid the amount due by bank draft, show the necessary ledger A/c’s in the books of Kaveri Coffee Traders.

**GROUP B**

**Answer any 3 questions.**

Q.6 What do you understand by single entry system of book-keeping? What are its advantages and disadvantages?

Q.7 Briefly explain the accounting concepts and conventions.

Q.8 What is an account sale? Give the specimen of an account sale with imaginary figures.

Q.9 Journalize the following transactions in the Books of Mr. Jayanna. 1st August 2009 Commenced business with cash Rs. 1,50,000 3rd “ “ Bought goods for cash Rs. 40,000

5th “ “ Paid in to bank Rs. 20,000

8th “ “ Sold goods to Mohini Rs. 16,000

16th “ “ Cash received from Mohini Rs. 16,000

22 “ “ Sold goods to Manju for cash Rs. 7,000

24 “ “ Sold goods to Govind Rs. 7,200

27 “ “ Cash deposited into bank Rs. 13,600

29 “ “ Rent paid to Rs. 3,000

30 “ “ Salary paid Rs. 7,000

Q.10 A company whose accounting year is the calendar year, Purchased a machinery on 1-4-2005 costing Rs. 3,00,000

It purchased further machinery on 1-10-2005 costing Rs. 2,00,000 and on 1-7-2006 costing Rs. 1,00,000 on 1-1-2007 one third of the machinery installed on 1-4-2005 become obsoluete and was sold for Rs. 30,000. Machineries were depreciated by written down value method at 10% per annum.

Show the machinery account for 3 years in the books of the company.

**GROUP C**

**Answer any 3 questions.**

Q.11 What are the reasons for providing depreciation?

Q.12 Distinguish between revenue and capital expenditure.

Q.13 What is a suspense account? Why it is opened?

Q.14 State the essential requisites of a bill of exchange.

Q.15 Briefly explain 2 methods of depreciation.

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