



IMP QUESTIONS FOR B.COM SEM-1 EXAM

PAPER 112-A FINANCIAL ACCOUNTING

Q.1 Saumil of Surat consigned 4000 liters of oil at cost of ₹ 80 per liter to his agent Mihir of Mumbai. But the pro-forma invoice was made out at a figure so as to show a profit of 20% on invoice price. Samuel paid ₹ 5,000 for octroi and ₹ 15,000 for Insurance.

On 1-4-2013 Samuel drew a bill of ₹ 2,50,000 for three month on Mihir which was immediately returned by the later duly accepted. Samuel discounted this bill on 1-5-2013 at 12% discount p.a. Mihir reported in Account Sale that

- (1) He paid ₹ 5,000 for octroi, ₹ 5,000 for insurance and ₹ 7,820 for selling expenses.
- (2) 1800 liters oil were sold for cash 25% profit on invoice price.
- (3) 1000 liters oil were sold to Dax at 50% profit on invoice price.
- (4) 400 liters oil were sold to Yash as per recommendation of Samuel at 25% profit on invoice price.
- (5) 200 liters oil were purchased by him for his personal use at the invoice price.
- (6) 200 liter oil were destroyed in the godown for which the insurance company paid ₹ 10,500 for claim.
- (7) Both Dax and Yash were declared insolvent and 75% amount received from them. Mihir is entitled to receive a general commission of 5% on sales and 2% del credere on credit sales. 1/8 profit share after deducting both commission and share of profit.

From the above particulars prepare Consignment A/c. and Mihir's A/c. in the books of Samuel.

Q.2 Akshar of Ahmedabad consigned "60" TV sets, each of ₹ 20,000 at an invoice price of ₹ 25,000 to Vijay of Vadnagar on 1st April 2015 and incurred the following expenses : Insurance Premium ₹ 10,000, Freight ₹ 8,000 and other expenses ₹ 12,000. Vijay is entitled to get 5% commission total sales and 2% Del-credere commission on credit sales.

Vijay accepted a four months bill of ₹ 3,00,000 drawn by Akshar and returned it immediately. Akshar discounted it on the same day @12% per annum in a bank.

During transit, 05 (five) TV sets were heavily damaged due to accident and the Insurance company admitted a claim of ₹ 85,800.

Vijay paid ₹ 5,500 for clearing charges and ₹ 9,700 for selling expenses.

According to "Account Sale" sent by Vijay on 31-10-2015,

"40", TV sets were sold at ₹ 30,000 each for cash.

"10", TV sets were sold at ₹ 32,000 each on credit to Jitendra and

"03", TV sets were sold at ₹ 30,000 each to Uday on recommendation and responsibility of Akshar.

Uday was declared insolvent and 0.80 paise per rupee was received from the receiver.

Vijay sent a bank draft for the payment due from him.

From the above information, prepare consignment Account and Vijay (Consignee) Account in the books of Akshar (Consignor).



Q.3 Viraat consigned 20 computers to Anushka at an invoice price of ₹ 50,000 each on 1-4-2015. The invoice price is arrived at after adding 25% profit on cost price. Viraat paid ₹ 10,000 while sending the goods.

On 1-4-2015 Viraat drew a bill of ₹ 5,00,000 for 4 months on Anushka which the latter duly accepted. On 4-5-2015 Viraat discounted the bill with the bank at the rate of 12% discount p.a.

On 31-3-2016 Anushka sent an Account Sales in which it was reported that :

- (1) She paid ₹ 4,000 for unloading charges, ₹ 6,000 for carriage and ₹ 15,000 for advertisement.
- (2) She sold 10 computers for ₹ 55,000 each on cash.
- (3) She sold 5 computers at ₹ 60,000 each to Ranbir on credit.
- (4) Ranbir was declared insolvent and only 50% amount could be recovered from him.
- (5) One computer was destroyed due to mishandling and insurance company admitted a claim of ₹ 37,500.
- (6) Out of the unsold computers, 2 computers were damaged and repairing charges for both were estimated at ₹ 6,500.

Anushka is entitled to a general commission of 5% on total sales, 2% del credere commission on credit sales and 10% of net profit as a share in profit. In the books of Viraat, Prepare :

Consignment Account and Anushka's Account

BRANCH

Q.4 Hitesh Traders of Gandhinagar has an independent branch at Valsad. Following is the Trial Balance of the branch as on 31-3-2013 :[14]

Particulars	Debit balance ₹	Credit balance ₹
Stock of Goods (1-4-12)	50,000	-
Purchases and sales of goods	2,24,000	4,80,000
Goods received from the H.O.	1,64,000	-
Goods returned to the H.O.	-	14,000
Purchases returns and sales returns	8,000	4,000
Head Office Account	-	1,24,800
Debtors and Creditors	1,12,000	64,000
Cash and Bank balance	72,000	-
Salary	54,000	-
Rent	12,400	-
Discount	14,800	17,200
Freight and carriage	8,800	-
Sundry Income	-	16,000
	7,20,000	7,20,000

Additional Informations :

- (1) The stock of goods was valued at ₹ 1,28,000 on 31-3-2013.
- (2) Unpaid salary amounted to ₹ 6,000 on 31-3-2013.



(3) Goods of ₹ 16,000 sent by Head Office to the branch on 27-3-2013 were received by branch on 4-4-2013.

(4) Cash amounting to ₹ 20,000 remitted by the branch to H.O. on 28-3-13 was received by H.O. on 1-4-13.

(5) The furniture account of the branch is maintained in the books of H.O. ₹ 7,200 is to be written off as depreciation on the furniture. From the above information, you are required to prepare Final Accounts of Valsad Branch.

Q.5 Skylark Agency, Bopal has an independent branch at Maninagar. The following Trial Balance of the branch as on 31-3-2015.[14]

Particulars	Debit (₹)	Credit (₹)
Opening stock of goods	1,50,000	-
Goods received from Head Office	5,00,000	-
Goods returned to Head Office	-	50,000
Head Office Account	-	5,10,000
Purchases and sales of goods	4,00,000	8,20,000
Goods returned	40,000	30,000
Freight and Octroi	20,000	-
Salaries (upto 28-02-2015)	44,000	-
Wages	16,000	-
Bad debts and bad debts recovered	4,000	15,000
Debtors and Creditors	1,76,000	95,000
Cash and Bank	10,000	40,000
10% GSPC Debenture (Face value) (Purchased on 01-10-2014)	2,00,000	-
	15,60,000	15,60,000

Additional Information :

(1) The closing stock is valued at ₹ 1,60,000.

(2) Goods-in-transit ₹ 20,000 and cash-in-transit ₹ 50,000.

(3) On 01-10-2014, Head Office sent furniture worth ₹ 1,00,000 to branch. The account of which is maintained in the books of Head Office Depreciation is to be provided at 10% p.a. on the same.

From the above details prepare Find Accounts of Maninagar Branch.

Q.6 ‘D’ Traders of Ahmadabad has an independent branch at Surat. Following is the trial balance of the branch as on 31-3-2017.

Particulars	Debit ₹	Credit ₹
Opening stock of goods	35,000	-
Goods received from H.O.	1,05,000	-
Goods returned to H.O.	-	14,000



Head Office A/c	-	1,05,000
Purchases and Sales	1,05,000	2,52,000
Goods returned	14,000	7,000
Freight and Octroi	7,000	-
Salaries (up to 28-2-2017)	15,400	-
Wages	5,600	-
Debtors & Creditors	63,000	31,500
(10% Govt. Securities (1-10-16)	56,000	-
(Face value – ₹ 70,000)		
Cash and bank	14,000	10,500
	4,20,000	4,20,000

Additional Information :

- (1) The closing stock of goods is valued at ₹ 42,000.
- (2) On 1-10-2016, H.O. has sent furniture worth ₹ 50,000 to branch, the accounts of which is maintained in the books of H.O. Depreciation is provided on furniture at 10% p.a.
- (3) A remittance of ₹ 25,000 was made by Surat branch to H.O. on 28th March, 2017 but the same was received by H.O. on 2nd April, 2017.

From the above details, prepare final accounts of Surat Branch and Head Office A/c.

JOINT VENTURE

Q. 7 Shrinand and Shrichand entered into a joint venture of purchasing and developing land. Joint bank account was opened for the same and Shrinand deposited ₹ 4,00,000 and Shrichand deposited ₹ 2,00,000 in the joint bank account. [14]

Land measuring 20,000 square meter was purchased for business at ₹ 20 per sq. meter.

The following expenses were paid in connection with the joint venture :

Expenses paid	₹
Cost of leveling land	10,000
Cost to remove stones and pebbles	8,000
Municipal taxes	5,000
Cost of fencing (paid by shrichand)	6,000
Architect fees (paid by Shrinand)	4,000
Stamp duty (paid by Shrichand)	16,000
Miscellaneous expenses	2,400

There was an income of ₹ 7,000 from sale of timber. It was decided to sell land in smaller plots of 400 sq. meters each. One fifth (1/5) of the area was left over for public roads. 30 plots were sold at ₹ 40 per sq. meters. Through land brokers and they were paid 2% brokerage on the selling price of the land.

Shrinand retained two plots for his personal use at an agreed price of ₹ 25,000. Remaining plots were sold at a consolidated price of ₹ 1,20,000 directly. Shrinand and Shrichand shared profits and losses in the proportion of amount invested by them in joint bank account.



Prepare Joint Venture Account, Joint Bank Account and Shrinand A/c and Shrichand A/c.

Q.8 Ram and shyam entered into a joint venture to underwrite equity shares. Public issue undertaken was of 1,40,000 equity shares of ₹ 10 each. Company agreed to pay them 10,000 more equity shares of ₹ 10/- each as underwriting commission. They decided to share profit and losses equally and to pay all expenses up to allotment. Expenses were paid as under : [14]

Paid by Ram	₹	Paid by Shyam	₹
Travelling Expense	16,000	Salary to staff	32,000
Registration fees	12,000	Advertisement Expense	3,000
Printing charge	10,200	Office rent	3,000
Other expense	1,800	Legal charges	2,000

Application received for 1,20,000 shares only at the end of subscription. Ram contributed the amount required for buying remaining shares. The company issued shares as underwriting commission. Out of the shares received Ram sold 20,000 shares and the remaining shares were sold by Shyam. All these shares were sold at ₹ 15 per share deducting ₹ 0.50 as a brokerage per share.

From the above details prepare

(a) Joint venture Account

(b) Shyam's Account

In the books of Ram

Q.9 On 01-07-2015 Ram and Shyam entered into joint venture with a condition to share profit and loss in the ratio of 3:2 respectively. They deposited ₹ 1,20,000 and ₹ 80,000 respectively into their joint bank accounts. They decided that joint bank account is to be used for purchase and sales, while joint venture expenses are to be paid each partner from their private fund.

Ram is to be paid a salary of ₹ 4,000 per month and shyam is to be paid a commission at the rate of 8% on the sales made by him.

Ram purchased goods worth ₹ 1,00,000 at 10% trade discount and paid ₹ 1,000 as expenses. Shyam purchased goods worth ₹ 80,000 at 5% trade discount and paid ₹ 800 for expenses. Shyam sold some of the goods for ₹ 20,000 and paid ₹ 200 for sundry expense. Remaining unsold goods for ₹ 60,000 were purchased by Ram for his personal use and also accepted to pay ₹ 2,000 to Ambica stationers and printers for stationary purchased on credit from them for joint venture business.

On 31-12-15, the joint venture business was closed and accounts were settled.

From the above particulars, prepare joint venture account, joint bank account and Co-ventures accounts. [14]

HIRE PURCHASE

Q.10 Arvind purchased a Motor-car from Babu Traders under the Hire-purchase system on 1-4-2010 and ₹.2,60,000 was paid at the time of delivery. The remaining amount was paid in the following installments with interest at 10% p.a. on outstanding cash price.[15]

31-03-2010 ₹.2,94,000 31-03-2013 ₹.2,52,000

31-03-2012 ₹.? 31-03-2014 ₹.2,31,000

Arvind is computing the depreciation every year at 15% p.a. under written down value method. Accounts are closed on 31st March every year. Full cash price is debited to motor car account at the time of purchase.

Following Journal entry was found from his books of Account on 31st March, 2012.

Depreciation A/c. Dr. 1,40,250

To Motor car A/c.	1,40,250
-------------------	----------

You are required to prepare Motor car A/c. and Babu Trader's A/c. in the books of Arvind.

Q. 11 Monil purchased an Activa Scooter from “Shraddha Motors” on 1-4-2011.

[14]

Payment was made as under

Date	Amount
1-4-11	12,000
1-4-12	15,600
1-4-13	14,400
1-4-14	13,200

The financial year of Monil closes on 31st March. Activa is to be depreciated at 10% per annum by reducing balance method.

Prepare necessary accounts in the books of Monil from the above information.

Q. 12 On 1-1-17 Sanjay purchased a Camera on Hire Purchase System from Karani Ltd. having cash price Rs. 6,00,000. Following are the details of amount paid towards

Particulars	Date	Cash Price (Rs.)
Down Payment	1-1-2017	1,00,000
1 st Installment	31-12-2017	1,00,000
2 nd Installment	31-12-2018	1,20,000
3 rd Installment	31-12-2019	1,30,000
4 th Installment	31-12-2020	1,50,000

Rate of interest is 10% p.a. Depreciation is provided at a rate of 10% on reducing balance method. Sanjay close its books of accounts on 31st December every year. You are required to,

(1) Show necessary calculation showing amount of interest and installment.



- (2) Pass journal entry for the year 2017 in the books of Sanjay.

Q.13 Shreyansh has purchased a motor on hire purchase system from active automobiles on 1-4-2015. Details of the contract are as under:

- (a) Rs.2,00,000 paid on 1-4-2015 on signing the contract.
(b) The balance amount is payable in four annual installments as under:

Particular	Amount
First installment on 31-3-2016	3,20,000
Second installment on 31-3-2017	(?)
Third installment on 31-3-2018	1,60,000
Fourth installment on 31-3-2019	96,000

- (c) Interest is to be paid at 20% per annum on remaining balance of cash price.
(d) Motor car is to be depreciated at 10% per annum by diminishing balance method.
(e) Accounting year of both the parties ends on 31st March every year.
(f) On 31-3-2017 the following journal entry is passed in the books of Shreyansh:

Profit and loss A/c	Dr.	1,52,000	
To Interest on Motor Car			80,000
To Depreciation on Motor car			72,000