

**B.Com. Part—I (Semester—II) Examination**  
**COMMERCE**  
**(Financial Accounting)**

Time : Three Hours]

[Maximum Marks : 80

- Note :—**(1) There are **three** Sections (A, B and C).  
 (2) Section A – **20** marks, Section B – **20** marks and Section C – **40** marks.  
 (3) All questions are compulsory.  
 (4) Section B and Section C comprise of short and long questions respectively, **one** each from respective unit having internal choice from the same unit.  
 (5) Show necessary working notes wherever necessary.  
 (6) In Section A first solved MCQ will be taken into consideration.

**SECTION—A**

Choose an appropriate option.

1. An advance receipt of subscription from a member of the non-profit organization is considered as :
 

(a) Expenses	(b) Liability
(c) Equity	(d) Assets
2. The Capital of a non-profit organization is generally known as :
 

(a) Equity	(b) Accumulated Fund
(c) Cash Fund	(d) Financial Reserve
3. Non-trading Institutions prepare the account instead of Profit and Loss Account :
 

(a) Cash Account	(b) Income and Expenditure Account
(c) Trading Account	(d) Receipts and Payments A/c
4. Excess of income over expenditure is termed as :
 

(a) Deficit	(b) Profit
(c) Surplus	(d) Loss
5. Debit balance of Trading A/c is :
 

(a) Gross profit	(b) Gross loss
(c) Net profit	(d) Net loss
6. The Maharashtra Co-operative Rules were passed in :
 

(a) 1961	(b) 1962
(c) 1963	(d) 1964

7. According to Co-operative Society Act, Statutory Fund Reserve Fund is kept from Net Profit :
- (a) 20% (b) 25%  
(c) 15% (d) 12%
8. Profit and Loss Account is prepared to know the :
- (a) Profit (b) Loss  
(c) Profit and Loss (d) Risk
9. Farm Accounting is written in :
- (a) Only single entry system (b) Only double entry system  
(c) Both single and double entry system (d) None of the above
10. Withdrawing by farmer is written in :
- (a) Trading A/c (b) Profit and Loss A/c  
(c) Assets side of Balance Sheet (d) None of the above
11. One of below is not regarding to agriculture account :
- (a) Poultry (b) Farm  
(c) Co-operative (d) Dairy
12. When Closing Capital is greater than Opening Capital it denotes :
- (a) Profit (b) Loss  
(c) No Profit No Loss (d) Assets
13. In the books of hire vendor which account will be debited for hire sale ?
- (a) Buyer (b) Hirer  
(c) Hire Vendor (d) Debtor
14. Under hire purchase system the agreement can be :
- (a) Renewed (b) Registered  
(c) Terminated (d) Endorsed
15. An agreement of sale is made under :
- (a) Installment system (b) Spot payment system  
(c) Hire purchase system (d) Cash system
16. In the book of hire vendor, when down payment is received, the hirer account will be :
- (a) Debited (b) Credited  
(c) Rectified (d) Reversed

17. An outstanding salary of Manager is an item to be included in which creditors are :
- (a) Unsecured creditors (b) Fully secured creditors  
(c) Preferential creditors (d) None of the above
18. Surplus amount of fully secured creditors transfer to :
- (a) List E (b) List F  
(c) List G (d) All of the above
19. The Presidency Town Insolvency Act was made in :
- (a) 1920 (b) 1942  
(c) 1918 (d) 1909
20. Those considered first in payment over other creditors are called :
- (a) Fully secured creditors (b) Preferential creditors  
(c) Partly secured creditors (d) Unsecured creditors 20

**SECTION—B**

1. Prepare the Receipt and Payment A/c of a Non-profit concern from the following information for the period ended on 31<sup>st</sup> March, 2020 :

<u>Particulars</u>	<u>Amount</u>	
(1) Opening Cash Balance (1-4-2019)	42,000	
(2) Loan provided to the members in cash	25,000	
(3) Loan from Bank	15,000	
(4) Salaries	2,500	
(5) Furniture purchased	1,500	
(6) Loan recovered from members	7,500	
(7) Printing and Stationery	2,000	4

**OR**

Difference between Income and Expenditure Account and Receipts and Payments Account. 4

2. From the following particulars prepare Profit and Loss Appropriation Account for the year ended 31<sup>st</sup> March, 2019 :

(1) Balance of Net Profit for the year 2017-18	Rs. 1,00,000	
(2) Net profit for the year 2018-19	Rs. 3,50,000	
(3) Transfer to Dividend Equalization Fund	Rs. 75,000	
(4) Share Capital	Rs. 3,00,000	
(5) Make provision for statutory reserve as per Maharashtra State Co-op. Societies Act, 1960		
(6) Make provision for dividend @ 11%		
(7) Make provision for Education Fund @ 2.5% of the profit		4

**OR**

Prepare the Trading Account of Jaywardhan Co-op. Society Ltd. for the year ended 31<sup>st</sup> March, 2020 :

Opening Stock – 32,500, Closing Stock – 54,800, Total Sales – 2,62,500, Credit Sales – 88,750, Purchases – 1,85,000, Carriage – 1,200, Discount Allowed – 3,500, Sales Returned – 1,600, Octroi – 2,800, Wages – 38,000 4

3. From the following information prepare a 'Crop Account' to ascertain the profit made by the crop division of the farm.

Particulars	Rs.
(1) <b><u>Opening Stock :</u></b>	
Wheat	10,000
Seeds	2,000
Fertilizer	3,000
(2) <b><u>Purchases :</u></b>	
Seeds	1,200
Fertilizers	1,800
(3) <b><u>Wages :</u></b>	
Paid in cash	13,600
Paid in kind by giving wheat	9,200
(4) Sale of wheat	70,800
(5) Wheat consumed by the Proprietor	3,200
(6) Depreciation on Farm Machinery	4,000
(7) <b><u>Closing Stock :</u></b>	
Wheat	8,000
Seeds	1,400
Fertilizers	1,600

OR

Explain the characteristics of Farm Accounting. 4

4. Prutha purchased a car from Maruti Ltd. on installment system on 1-1-2013 at a cash price of Rs. 3,20,000. It was agreed to pay Rs. 80,000 on agreement and Rs. 67,680 in 4 half yearly installments which includes interest charges @ 10% p.a. on unpaid balance. Prepare Analysis Table. 4

OR

Explain the advantages of Hire Purchase System. 4

5. From the following information, prepare Deficiency A/c :

Capital	Rs. 63,500	
Net Profit	Rs. 55,540	
Net Loss	Rs. 25,000	
Drawing	Rs. 90,000	
Loss on realisation of Assets	Rs. 33,160	
Deficiency	Rs. 29,120	4

**OR**

Explain List A to D of Insolvency. 4

**SECTION—C**

1. From the following information prepare Receipts and Payments Account for the year 2019 :

(1) Cash in hand on 1-1-2019	Rs. 3,000	
(2) Received Entrance Fees in 2019	Rs. 500	
(3) Subscription received in 2019	Rs. 900	
(4) Subscription of 2018 received in 2019	Rs. 100	
(5) Rent paid in 2019	Rs. 50	
(6) Books purchased	Rs. 1,000	
(7) Purchase by newspapers and magazine	Rs. 500	
(8) Purchase of paper	Rs. 100	
(9) Sundry expenses	Rs. 100	
(10) Salary	Rs. 1,000	8

**OR**

Difference between Receipts and Payments Account and Income and Expenditure Account. 8

2. Prepare Trading and Profit and Loss A/c for the year ended 31st March, 2019 and Profit and Loss Appropriation A/c as on that date :

**Trial Balance**

Particulars	Rs.	Particulars	Rs.
Purchase	4,500	Share Capital (800 Shares of Rs. 10 each)	8,000
Interest Paid	1,500	Sale	9,000
Debtors	2,000	Interest Received	1,000
Loan to Member	4,000		

Particulars	Rs.	Particulars	Rs.
Land and Building	2,500	Creditors	800
Furniture	1,500	Statutory Reserve Fund	1,500
Salary and P.F. Contribution	1,250	Deposits	1,500
Cash in hand	50	Dividend Received	50
Cash at Bank	1,000	Staff Provident Fund	450
Investment	2,000		
Prepaid Insurance	100		
Printing and Stationery	250		
Depreciation written off	50		
Rent, Rate, Tax	550		
Bad Debts	50		
Opening Stock	600		
Wages	400		
	<b>22,300</b>		<b>22,300</b>

**Adjustment :**

- (1) Closing Stock Rs. 2,500.
- (2) Provide for dividend @ 5%.
- (3) Make provision for Statutory Reserve as per M.S. Co-op. Societies Act.
- (4) Provision of Rs. 100 is to be made for Secretary's honorarium.

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**OR**

From the following information prepare Trading A/c, Profit and Loss A/c and Profit and Loss Appropriation A/c :

**Trial Balance**

Goods purchased	5,42,000	Returns outwards	2,000
Fixed Assets	85,040	Sale	5,48,700
Furniture	22,000	Secured loan	52,000
Return Inwards	8,000	Commission	36,700
Fixtures and Fitting	35,000	Bill payable	76,420
Carriage Inwards	1,000	Statutory Reserve	40,400
Octroi	1,640	Share Capital	48,000
Salaries	36,740	Depreciation Fund	5,780
Interest	9,180		

Cash in hand	1,760		
Office Rent	8,000		
Insurance premium	2,000		
Opening Stock	56,040		
Travelling Expenses	1,600		
	<b>8,10,000</b>		<b>8,10,000</b>

**Adjustment :**

- (1) Closing Stock Rs. 1,60,000.
  - (2) Prepaid Insurance Premium Rs. 480.
  - (3) Depreciation on Furniture 10%, Fixtures and Fittings 15%.
  - (4) Make provision for Dividend @ 9% on Capital.
  - (5) Provide Rs. 10,000 for Dividend Equalisation Fund. 8
3. Prepare 'Crop Account' and find out the Profit and Loss of crop section of a farm owned by Mr. Manoj Kumar :

<b>(1) <u>Opening Stock (1-4-2016) :</u></b>		
Grain	26,000	
Seeds	6,000	
Fertilizers	4,000	36,000
<b>(2) <u>Purchases (2016-17) :</u></b>		
Seeds	4,000	
Fertilizers	6,000	10,000
(3) Sale of Grains		2,54,000
(4) Grain consumed by owner of the farm		6,000
(5) Grain consumed by Live Stock Department		24,000
(6) Wages paid in cash		35,000
(7) Wages paid in kind by giving grains		25,000
(8) Depreciation on Farm Machinery		10,000
(9) Repairs and Maintenance of Farm Machinery		20,000
<b>(10) <u>Closing Stock (31-3-17) :</u></b>		
Grains	20,000	
Seeds	4,000	
Fertilizers	6,000	

8

**OR**

Explain the objects of Farm Accounts.

8

4. A Lalchand Co. Ltd. purchased the machine on 1st January, 2012 on the hire purchase system. The cash price of the machine is Rs. 29,800. The terms of payment were Rs. 8,000 by cash half yearly instalment over 2 years. The first instalment to be paid on 30th June, 2012. The instalment includes interest. The rate of interest payable was 6% p.a. Lalchand Co. Ltd. closed its books on 30<sup>th</sup> June every year and has decided to write off depreciation on the machine at the rate of 10% p.a. on the written down value. Prepare Machine A/c. 8

**OR**

139 Explain the features of hire purchases. 8

5. Shri Ram commenced his business on 1<sup>st</sup> April, 2010, with a Capital Rs. 91,000, profit for the year 2010-11 were Rs. 40,000 and 2011-12 Rs. 20,000, and there was loss Rs. 18,000 in 2012-13, his total drawing amounted to Rs. 1,00,000. 139

Prepare Statement of Affairs and Deficiency A/c.

	<b>Rs.</b>
(1) Cash	3,000
(2) Stock in Trade	10,000
(3) <b><u>Debtors :</u></b>	
Good	80,000
Doubtful	20,000
Bad	15,000
(4) Fixtures	6,000
(5) Share Capital	1,10,000
(6) Secured Creditors (Value of Security Rs. 35,000)	30,000
(7) Preferential Creditors	2,000

Stock in Trade realised at Rs. 5,000, Fixtures Rs. 4,000 and Doubtful debts Rs. 5,000, investment in shares realised in full. 8

**OR**

Differentiate between Balance Sheet and Statement of Affairs. 8