

1M/COM-100 Syllabus-2023

2024

(December)

FYUP : 1st Semester Examination

MAJOR

COMMERCE

(Accounting for Business)

COM-100

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) Define accounting. Explain its objectives and scope. 2+4+3=9
- (b) Briefly explain the various branches of accounting. 6

Or

Following are the balances of Mr. David as on
31st March, 2023 :

<i>Dr. Balances</i>	<i>₹</i>	<i>Cr. Balances</i>	<i>₹</i>
Land & Building	50,000	Sales	4,68,580
Purchases	3,16,700	Interest on	
Returns	2,500	Investment	900
Stationery	8,500	12% Loan	
Cash at Bank	30,700	(01.04.2022)	50,000

D25/845

(Turn Over)

<i>Dr. Balances</i>	₹	<i>Cr. Balances</i>	₹
Discount	2,000	Capital	80,000
Sundry Debtors	64,000	Sundry Creditors	63,100
Postage	2,195	Returns	3,700
Salaries	22,000	Discount	1,290
Carriage	3,000		
Advertisement	16,000		
Interest on Loan	3,000		
Furniture	8,000		
Cash in Hand	5,995		
Motorcar	16,000		
Investment	12,000		
Drawings	10,000		
Stock (01.04.2022)	68,480		
Wages	10,500		
Machinery	16,000		
	<u>6,67,570</u>		<u>6,67,570</u>

Taking into account of the following adjustments, prepare the Trading, Profit & Loss A/c and Balance Sheet as on 31st March, 2023 : 15

(i) Stock as on 31st March, 2023—
₹ 1,60,000

(ii) Motorcar and furniture to be depreciated by 10% and 5% respectively

(iii) Stock worth ₹ 15,000 destroyed by fire on 20th February, 2023 in respect of which the insurance company admits a claim for ₹ 8,000 only

(iv) Provision for doubtful debts to be maintained @ 10% on debtors and discount on debtors @ 5%

(v) Unpaid amount of stationery—₹ 1,000

(vi) Salary paid in advance—₹ 2,000

(vii) Wages include a sum of ₹ 1,000 spent in erection of a machinery

2. Mr. A of Guwahati consigned 50000 kg of tea costing ₹ 60 per kg. Mr. A incurred ₹ 20,000 on freight and ₹ 10,000 on insurance. 2000 kg of tea were lost in transit. The insurance company admitted the claim for ₹ 1,00,000. After receiving the goods, Mr. Y of Delhi spent ₹ 10,000 on unloading, ₹ 5,000 on godown rent and selling expenses. Mr. Y was allowed on commission on 5% on sales. 40000 kg of tea were sold at ₹ 100 per kg. 50 kg of tea were lost due to breakage of a chest which was considered to be normal.

Prepare necessary Ledger A/cs in the books of both consignor and consignee.

15

Or

- (a) From the following information, calculate the total sales and total purchases for the year ended 31st March, 2024 : 10

	31.03.2023 ₹	31.03.2024 ₹
Debtors	6,75,000	5,60,000
Creditors	4,90,000	3,70,000
Bills Receivable	1,70,000	1,40,000
Bills Payable	3,90,000	5,10,000

Transactions during the year ended 31st March, 2024 :

	₹
Discount Allowed to Customers	24,000
Discount Allowed by Suppliers	20,000
Bills Payable Discharged	7,20,000
Bills Receivable Collected	4,50,000
Bills Receivable Dishonoured	32,000
Cash Paid to Creditors	26,00,000
Cash Received from Debtors	47,00,000
Bad Debts	60,000
Returns Inwards	1,94,000
Returns Outwards	82,000
Cash Sales	8,50,000
Cash Purchases	21,00,000

- (b) Distinguish between Consignment and Sale. 5

3. Following is the Balance Sheet of A and B, who were sharing profits and losses in the ratio of 2 : 1 as on 31st March, 2024 :

Liabilities	₹	Assets	₹
Capital A/cs :		Plant & Machinery	12,00,000
A	10,00,000	Building	9,00,000
B	5,00,000	Sundry Debtors	3,00,000
General Reserve	9,00,000	Stock	3,50,000
Sundry Creditors	3,00,000	Bank	1,50,000
Bills Payable	2,00,000		
	<u>29,00,000</u>		<u>29,00,000</u>

They agreed to admit D into the partnership on the following terms :

- (i) That the value of stock and plant and machinery were to be depreciated by 10%
- (ii) That a provision of 5% was to be created for doubtful debts
- (iii) Building was to be appreciated by 20%
- (iv) Unrecorded creditors ₹ 10,000 to be recorded
- (v) Unrecorded investments ₹ 20,000 to be taken into account
- (vi) The goodwill of the firm was fixed at ₹ 1,05,000

(vii) That the value of reserve fund, the values of liabilities and assets other than cash are not to be altered

(viii) D was to be given $\frac{1}{4}$ th share in the profit and was to bring capital equal to his share of profits after all adjustments

Prepare Memorandum Revaluation A/c, Partners' Capital A/cs and Balance Sheet of the firm after admission of D. 15

Or

X, Y and Z are partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Following is the Balance Sheet of the firm as at 31st March, 2024 :

Liabilities	₹	Assets	₹
Capital A/cs :		Goodwill	1,00,000
X	5,40,000	Land & Building	3,50,000
Y	3,60,000	Plant & Machinery	2,00,000
Reserve	50,000	Furniture	1,20,000
Creditors	1,50,000	Stock	80,000
Bills Payable	1,00,000	Debtors	2,50,000
Y's Loan	85,000	Less :	
		Provision	5,000
		Cash at Bank	90,000
		Z's Capital A/c	1,00,000
	<u>12,85,000</u>		<u>12,85,000</u>

On this date, they decided to dissolve the partnership.

The assets were realized as follows :

Land and Building—₹ 4,00,000

Plant and Machinery—₹ 1,20,000

Furniture—₹ 80,000

Debtors realized 80% of book value

Stock was taken over by Creditors at an agreed price of ₹ 70,000

Outstanding expenses not recorded ₹ 15,000 was paid ₹ 10,000 in full settlement

Expenses on dissolution amounted to ₹ 12,000. It was ascertained that Z become insolvent and 30 paise in a rupee was received from his estate.

Prepare Realization A/c, Partners' Capital A/cs and Bank A/c (apply Garner versus Murray principle).

4. S Ltd. purchased a machine on the hire-purchase system from K Ltd. The terms were that they would pay ₹ 2,00,000 down on 1st April, 2019 and annual instalments of ₹ 1,10,000 each commencing from 1st April, 2020.

They charged depreciation on the machine at the rate of 15% p.a. under written-down

value method. K Ltd. had charged interest at the rate of 10% p.a.

Show the Machinery A/c and K Ltd. A/c to record the above transactions in the books of S Ltd. till the instalments are paid off. S Ltd. closed its books on 31st March every year. 15

Or

Krishna took a lease of mines from Mr. Lyngdoh on 1st January, 2002 for 20 years. The terms provided for the royalty payment @ ₹ 6 per ton raised subject to a minimum rent of ₹ 1,20,000 p.a. with a right to recoup shortworkings within next 3 years. It was also agreed that the minimum rent should be reduced proportionately in case of strike or lockouts in any year. The following are the details of the output :

Year	2002	2003	2004	2005	2006	2007
Output (in tons)	18000	18700	15400 (strike for 3 months)	19000	20600	22600

Show Royalties A/c, Shortworkings A/c and Lyngdoh A/c in the books of Krishna for all the above 6 years.

5. Write on any *three* of the following : $5 \times 3 = 15$

- (a) Objectives of Accounting Standard
- (b) Merits and demerits of single-entry system
- (c) Distinction between Revaluation A/c and Realization A/c
- (d) Shortworkings and recoupment of shortworkings

Or

Write on any *three* of the following : $5 \times 3 = 15$

- (a) Distinction between Trial Balance and Balance Sheet
- (b) Types of commission paid by consignor to consignee
- (c) Methods of calculating profits of a deceased partner
- (d) Merits and demerits of hire-purchase system
