

END OF SEMESTER EXAMINATIONS, APRIL/MAY – 2017
FUNDAMENTALS OF ACCOUNTING – II
SUBJECT CODE: 16UAPA05

MAJOR : B.Com.(PA)
TIME : 3 HOURS

SEMESTER : II
MAX. MARKS: 75

SECTION – A (10 X 1 = 10)

Answer ALL Questions:

1. The grace day for a bill is _____
a) 3 days b) 4 days c) 5 days d) 6 days
2. When the due date of transaction falls on a public holiday, the due date will be _____
a) The same day b) One day after that holiday
c) One day before that holiday d) None of the above
3. Consigner and consignee relationship is that of _____
a) Buyer and Seller b) Principal and Agent c) Debtors and Creditors d) None of the above
4. Loss of stock is said to be normal when _____
a) It is because of leakage b) It is unavoidable and natural
c) Thee stock is destroyed by fire d) None of the above
5. The relationship between the Co-Ventures is that of _____
a) Buyer and Sales b) Principal and Agent c) Partners d) Debtors and Creditors
6. Capital accounts of the Co-Ventures are of the nature of _____
a) Personal A/c b) Nominal A/c c) Real A/c d) None of the above
7. A non-trading concern prepares _____
a) P & L A/c b) Trading and P&L A/c
c) Income & Expenditure A/c d) None of the above
8. Income & Expenditure A/c is prepared by _____
a) Trading concerns b) Non-trading concerns
c) Manufacturing concerns d) None of the above
9. Sales ledger adjustment A/c is opened in _____
a) Sales Ledger b) Bought Ledger c) General Ledger d) None of the above
10. No self balancing entry is required for _____
a) Discount allowed b) B/R dishonoured c) Reserve for bad debts d) None of the above

SECTION – B (5 X 4 = 20)

Answer Any FIVE Questions:

11. What are the features of Bill of Exchange?
12. Rows S the following sums of money due from him on the stated dates
Rs.300 due on March 10, 1995; Rs.1,000 due on April 2, 1995;
Rs.4,000 due on April 30, 1995; Rs.100 due on June 10, 1995.
He wants to make the complete payment on 30th June 1995. Calculate interest at 5% per annum with the help of average due date method.
13. Write short notes on:
i) Del credere commission ii) Overriding commission
14. Prem consigned 200 boxes of Meterines @Rs.100 per Box to Ram. He incurred the following expenses:
Insurance Rs.1,000; Loading charges Rs.1,600; Freight Rs.1,400
An account sales was received from Ram which showed that 160 boxes were sold @Rs.200 per box. Ram incurred the following expenses
Clearing charges Rs.1,000; Godown rent Rs.400; Advertisement Rs.600;
Other selling expenses Rs.1,000
Ascertain the value of stock on consignment and show also the relevant entry.
15. Sheela and Mala entered into a Joint venture agreement to underwrite the subscription of 50,000 equity shares of Rs.10 each issued by a newly formed Limited company at a premium of Rs.2 per share. The underwriting commission is 4% as provided in the Articles.

Public subscription were received for 38,000 shares and the underwriters duly discharged their obligation by taking up the remaining shares. Sheela and Mala contributed Rs.80,000 each and deposited the same in a joint bank account. Sundry expenses incurred out of the joint bank amounted to Rs.5,000. Underwriting Commission was received by Cheque.

Towards the end the venture, 10,000 shares were sold by them in the open market @ Rs.14 per share and the rest of the shares were taken up by them equally at Rs.13 per share.

Profits of the venture were shared equally. You are required to prepare the Joint Venture Account.

16. From the following information, find out the amount to be taken to income and expenditure account in the year ending 31.3.1999.

Particulars	As on 1.4.98 Rs.	As on 31.3.99 Rs.
Opening stock	1600	800
Creditors for stationery	480	1200
Amount paid to creditors for stationery	---	8000

17. From the following particulars prepare a Receipts and Payments A/c.

	Rs.
Cash in hand	100
Cash at bank	500
Subscription received	3300
Donation received	260
Investment purchased	1000
Rent paid	400
General expenses	210
Postage and stationary	70
Sundry expenses	30
Cash balance at close	20

18. What is self – balancing ledger? What are their advantages?

SECTION – C (3 X 15 = 45)

Answer Any THREE Questions:

19. The following transactions took place between Kumar and Raghu from 1.1.90 to 30.6.90:

	Rs.
Jan.1 Sold goods to Kumar	2,240
Jan.10 Received Kumar's acceptance at 2 months	1,000
Feb.15 Received cash from Kumar	1,200
Mar.2 Bought goods from Kumar	5,500
Mar.3 Accepted Kumar's bill at 1 month	2,000
Apr.11 Paid cash to Kumar	2,000
Apr.30 Sold goods to Kumar payable upto 31 st May	2,400
May.11 Bought goods from Kumar	1,500
May.31 Sold goods to Kumar payable upto 10 th June	2,200
June 15 Bought goods from Kumar	3,000

Prepare the account current to be sent by Raghu on 30th June 1990. The rate of interest 5%.

20. Sanker sends 20,000 units @ Rs.50 to Sunil on 1.1.99 to be sold at a commission of 7.5%. 5% goods were lost in transit and it considered normal. The consignor spent the following expenses:

Packing Expenses @ Rs.2 per case (cash); Freight Rs.10,000 (due);
Insurance Rs.6,000 (Bank)

The consignee received the balance consignment and sent a Cheque of Rs.2,00,000 as advance. He incurred Rs.8,000 as unloading charges and Rs.36,000 as selling and distribution expenses. He submitted an account sales on 31.3.99 disclosing that 14,000 units were sold @ Rs.80 per unit. Assuming the consignee sent draft for balance you are required to prepare, the necessary ledger accounts in the books of both the parties.

21. Distinguish between joint venture and partnership.
22. Distinguish between receipts and payments account and Income and expenditure account.
23. From the following particulars extracted from the books of M/s.Krishna & Company, who keeps a Sales Ledger and Bought Ledger on the self balancing system. Shows how the various adjustment accounts will appear in each of the ledgers.

	Rs.
Debtors Balance (1.1.76)	45,750
Creditors Balance (1.1.76)	54,900
Transactions for the month of January:	
Credit purchases	20,500
Credit sales	22,700
Return inwards	400
Return outwards	600
Cash received from customers	25,000
Discount allowed to customers	550
Cash paid to creditors	30,700
Discount received from creditors	670
Acceptance received from debtors	8,500
Creditors bill accepted	12,000
B/R returned dishonoured	1,200
B/P returned dishonoured	3,000
Bad debts written off	2,500
Sundry charges debited to customers	345
Allowances from creditors	275