

Reg No:.....  
Name :.....

K25FY2313

**Second Semester FYUGP Commerce Examination**  
**APRIL 2025 (2024 Admission onwards)**  
**KU2DSCCOM105 (FINANCIAL ACCOUNTING)**  
**(DATE OF EXAM: 28-4-2025)**

Time : 120 min

Maximum Marks : 70

**Part A (Answer any 6 questions. Each carries 3 marks)**

1. What do you understand by convention of Materiality? 3
2. What are the subsidiary books? 3
3. What do you mean by error of complete omission? 3
4. Who is lessor? 3
5. What is Royalty? 3
6. What is the Stock and Debtors System of Branch Accounting. 3
7. What is Branch Account? 3
8. Explain the treatment of depreciation in the case of independent branches. 3

**Part B (Answer any 4 questions. Each carries 6 marks)**

9. What are the features of double entry book keeping? 6
10. Rectify the following errors (there is no suspense account)
  - a) Sales Book has been overcast by Rs.3,000
  - b) A sum of Rs. 1,500 has been debited to salaries twice
  - c) A sum of Rs.500 received for interest has been debited to interest account
  - d) Wages of Rs.1000 has been debited to wages account as Rs.1006
11. The following trial balance has been prepared wrongly. You are asked to prepare the trial balance correctly.

Particulars	Debit (Rs)	Credit (Rs)
Cash in hand		2,000
Purchases Returns	4,000	
Wages	8,000	
Establishment expenses	12,000	
Sales Return		8,000
Capital	22,000	
Carriage outward		2,000
Discount received	1,200	
Commission earned	800	
Machinery		20,000
Stock		10,000
Debtors	8,000	
Creditors		12,000
Sales		44,000
Purchases	28,000	
Bank OD	14,000	
Manufacturing expenses		14,000
Loan From Ravi	14,000	
Carriage inward	1,000	
Interest on investment	1,000	
<b>Total</b>	<b>113,000</b>	<b>113,000</b>

12. Explain the methods of Debtors System and Stock and Debtors System of accounting of dependent branches. 6
13. A and Co. Ltd. having its Head Office at Delhi with Branches at Lucknow and Allahabad close its annual accounts on 31st December, 2024, when the following transactions have taken place : (a) Remittance of 4,500 made by Lucknow Branch to its Head Office on 30th December was received by the Head Office on 5th January next. (b) Goods valuing 2,200 despatched by Allahabad Branch on 27th December under instructions from the Head Office, was received by the Lucknow Branch on 30th December. (c) Depreciation amounted to 1,100 on Lucknow Branch Fixed Assets (accounts of such assets are maintained by the Head Office). (d) Salary of 10000 paid by the Head Office includes 3000 as that of the branch. Show the journal entries in the books of H.O as at the close of the year. 6
14. A and Co. Ltd. having its Head Office at Delhi with Branches at Lucknow and Allahabad close its annual accounts on 31st December, 2024, when the following transactions have taken place : (a) Remittance of 4,500 made by Lucknow Branch to its Head Office on 30th December was received by the Head Office on 5th January. (b) Goods valuing 2,200 despatched by Allahabad Branch on 27th December under instructions from the Head Office, was received by the Lucknow Branch on 2nd January. (c) Depreciation amounted to 1,100 on Lucknow Branch Fixed Assets (accounts of such assets are maintained by the Head Office). (d) Rent of 16,000 paid by the Head Office includes 4,000 as that of the branch. Show the journal entries in the books of H.O. 6

**Part C (Answer any 2 question(s). Each carries 14 marks)**

15. Explain the treatment of following items in Final account  
a) Closing stock

- b) Outstanding expenses
- c) Prepaid expenses
- d) Accrued income
- e) Income received in advance
- f) Depreciation
- g) Provision for bad debts

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16. From the following trial balance and additional information of Mr. Rajan, prepare Trading and Profit and Loss account for the year ended 31 March 2024 and the Balance Sheet as on that date

	Debit (RS)	Credit (RS)
Capital		3,00,000
Drawings	20,000	
Purchases and sales	90,000	17,000
Returns	5,000	4,000
Stock (1-04-2023)	12,000	
Wages	8,000	
Land and Building	2,00,000	
Plant and Machinery	20,000	
Carriage	15,000	
Sundry Expenses	2,000	
Interest		7,000
Taxes and Insurance	1,500	
Commission		4,000
Debtors and Creditors	60,000	15,500
Bills Receivable and Payable	42,000	22,000
Discount	3,000	5,000
Cash at Bank	12,000	
Cash in Hand	2,000	
Salaries	10,000	
Investments	25,000	
<b>Total</b>	<b>5,27,500</b>	<b>5,27,500</b>

Adjustments

- (i) Stock on 31st March, 2024 was valued at Rs 23,000.
- (ii) Insurance was prepaid to the extent Rs 500.
- (iii) Outstanding liabilities were: Salaries Rs 3,000.
- (vi) Depreciate Land and Building 5% p.a., Plant and Machinery 10% p.a.

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17. A mining company leased a property from 'X' at a royalty of Rs.10 per ton with a minimum rent of Rs.24,000 p.a. Each years excess of minimum rent over roylaty is recoverable out of royalties of next three years. The results of the workings are as follows. I year 2,000 tons; II year 3,000 tons; III year 4,000 tons; IV year 5,600 tons; V year 6,000 tons. Prepare necessary ledger accounts in the books of the mining company for five years.

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