

1m/COM-100 Syllabus-2023

2 0 2 5

(Nov-Dec)

FYUP : 1st Semester Examination

MINOR

COMMERCE

(Accounting for Business)

COM-100

Marks : 75

Time : 3 hours

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

1. (a) Give the definition and scope of Accounting. 3+6=9
- (b) Explain the objectives and limitations of Accounting Standards. 3+3=6

Or

Following is the Trial Balance of Mr. Singh as on 31st March, 2025 :

<i>Particulars</i>	<i>Dr.</i>	<i>Cr.</i>
	₹	₹
Capital		1,00,000
Drawings	18,000	
Buildings	15,000	

(2)

Particulars	Dr. ₹	Cr. ₹
Furniture and Fittings	7,500	
Motor Van	25,000	
Loan from Hari @ 12% interest		15,000
Interest paid on above	900	
Sales		1,00,000
Output CGST		2,000
Output SGST		2,000
Purchases	75,000	
Opening Stock	25,000	
Establishment Expenses	15,000	
Wages	2,000	
Insurance	1,000	
Commission Received		7,500
Sundry Debtors	28,100	
Bank Balance	20,000	
Sundry Creditors		6,000
	<u>2,32,500</u>	<u>2,32,500</u>

Adjustments :

- (i) The value of Stock on 31st March, 2025 was ₹ 32,000
- (ii) Outstanding Wages—₹ 500
- (iii) Prepaid Insurance—₹ 300

(3)

(iv) Commission Received in advance—
₹ 800

(v) Allow Interest on Capital @ 10%

(vi) Depreciate Building @ 2½%; Furniture and Fittings @ 10%; Motor Van @ 10%

(vii) Charge Interest on Drawings—₹ 500

Prepare Trading and Profit & Loss A/c for the year ended 31st March, 2025 and a Balance Sheet as on that date.

4+5+6=15

2. (a) Distinguish between Double-entry System and Single-entry System of Accounting.

3

(b) On 1st March, 2024, Karan of Shillong sends 1000 boxes of tea to Bimal of Guwahati on consignment basis. Each box costs ₹ 500. Karan pays carriage ₹ 1,000 and insurance ₹ 2,000 and draws upon Bimal a bill for ₹ 2,00,000 for 3 months which was duly accepted and returned.

On 30th September, 2024, Bimal forwards an Account Sales to Karan showing that 500 boxes have been sold

(4)

@ ₹560 each while 30 boxes were sold @ ₹550 each and the remaining boxes were sold @ ₹540 each. The expenses incurred by Bimal consisted of carriage charges ₹500; and godown rent ₹3,500. Bimal is entitled to a commission @ 5% on gross sales proceeds. He encloses a cheque for the balance due to Karan.

Prepare Consignment A/c, Consignee's A/c and Goods sent on Consignment A/c in the book of Karan. Assume that Karan closes the books on 31st December. $5+4+3=12$

Or

- (a) Distinguish between Consignment and Sale. 3
- (b) From the following particulars, ascertain the amount of credit sales and credit purchases for the year ended 31st March, 2025 : $6+6=12$
- | | ₹ |
|-------------------------------|-----------|
| Total Creditors on 01.04.2024 | 4,00,000 |
| Total Debtors on 01.04.2024 | 7,00,000 |
| Cash Received from customers | 14,50,000 |
| Received for Bills Receivable | 80,000 |
| Paid to Sundry Creditors | 5,60,000 |
| Bills Payable met | 1,20,000 |

(5)

	₹
Discount Allowed to customers	20,000
Discount Earned	10,000
Sales Returns	60,000
Purchases Return	80,000
Bad Debts	30,000
Total Creditors on 31.03.2025	9,20,000
Total Debtors on 31.03.2025	8,80,000
Bills Receivable on 01.04.2024	60,000
Bills Payable on 01.04.2024	1,40,000
Bills Receivable on 31.03.2025	1,80,000
Bills Payable on 31.03.2025	1,00,000

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

Liabilities	₹	Assets	₹
Capital A/cs :		Plant and	
A	10,00,000	Machinery	12,00,000
B	5,00,000	Buildings	9,00,000
Reserve Fund	9,00,000	Sundry Debtors	3,00,000
Sundry Creditors	4,00,000	Stock	4,00,000
Bills Payable	1,00,000	Cash	1,00,000
	<u>29,00,000</u>		<u>29,00,000</u>

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

- (i) The goodwill of the firm was fixed at ₹1,05,000

(6)

- (ii) That the value of Stock and Plant & Machinery were to be reduced by 10%
- (iii) That a provision of 5% was to be created for Doubtful debts
- (iv) That the Building A/c was to be appreciated by 20%
- (v) There was an unrecorded liability of ₹10,000
- (vi) Investments worth ₹20,000 (Not mentioned in the Balance Sheet) were taken into account
- (vii) That the value of Reserve Fund, the values of liabilities and the values of assets other than cash are not to be altered
- (viii) C was to be given one-fourth share in the profit and was to bring capital equal to his share of profit after all adjustments

Prepare Memorandum Revaluation A/c, Capital A/cs of the partner and Balance Sheet of the newly reconstituted firm.

5+6+4=15

(7)

Or

X, Y and Z are partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. They decided to dissolve the partnership business as on 31st December, 2024. Following is the Balance Sheet as on the date of dissolution :

Liabilities	₹	Assets	₹
Capitals :		Machinery	31,000
X	20,000	Furnitures	3,000
Y	10,000	Stock	10,000
Z	2,000	Debtors	6,000
Bank Overdraft	6,000		
Sundry Creditors	12,000		
	<u>50,000</u>		<u>50,000</u>

The following assets were realized in cash :

Machinery at ₹22,000; 50% of Stock at ₹3,500 and Debtors were collected at 15% less than their book values. Remaining 50% of the Stock was taken over by X at ₹3,200. Furniture was taken over by Y at ₹2,400. Realization Expenses were ₹300.

Prepare Realization A/c, Partners' Capital A/cs and Bank A/c to close the books of the firm.

6+5+4=15

4. On 1st July, 2023, Eastern Printers purchased a printing machine from HMT Ltd. on hire-purchase basis, payments to be made ₹10,000 on the said date and the balance in three half-yearly instalments of ₹8,200; ₹7,440 and ₹6,300 commencing from December 2023. The Vendor charged interest at 10% p.a. calculated on half-yearly basis.

Eastern Printers close their books annually on December 31 and provide depreciation at 10% per annum on diminishing balance in each year.

Determine the cash price of the machine and show the necessary Ledger A/cs in the books of Eastern Printers. $5+6+4=15$

Or

Bihar Coal Company Ltd. is lessee of a mine on a royalty of 50 paise per ton of coal raised, with a dead rent of ₹30,000 per annum and power to recoup shortworkings during the first five years of the lease. The output for the first three years was as follows :

- 1st Year—15000 tons
- 2nd Year—50000 tons
- 3rd Year—75000 tons

You are required to write up the Minimum Rent A/c, Royalties A/c, Shortworkings A/c, Landlord's A/c and Profit & Loss A/c.

$3+3+4+3+2=15$

5. Answer any *three* of the following questions :

$5 \times 3 = 15$

- (a) Differentiate between GAAP and IFRS.
- (b) Discuss the nature of relationship between Consignor and Consignee.
- (c) Distinguish between Purchased Goodwill and Non-purchased Goodwill.
- (d) What is the purpose of fixing minimum rent (dead rent) in royalty agreements?

Or

- Answer any *three* of the following questions :

$5 \times 3 = 15$

- (a) Differentiate between Accrual basis and Cash basis of accounting.
- (b) Bring out the principle differences between Normal loss and Abnormal loss under Consignment A/cs.
- (c) Distinguish between Sacrificing Ratio and Gaining Ratio.
- (d) Distinguish between Hire-purchase and Installment-purchase system.
