

1M/COM-100 Syllabus-2023

2 0 2 4

(April)

FYUP : 1st Semester Examination

MAJOR COURSE

COMMERCE : COM-100

(Accounting for Business)

Marks : 75

Time : 3 hours

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

1. What are Accounting Standards? Explain the main objectives and limitations of these standards. 6+9=15

Or

Following are the balances of Shri Gupta as on 30th June, 2022 :

<i>Debit Balances</i>	<i>₹</i>
Cash in Hand	540
Cash at Bank	2,630
Purchases	40,675
Return Inwards	680

(2)

Debit Balances	₹
Wages	8,480
Fuel and Power	4,730
Carriage on Sales	3,200
Carriage on Purchases	2,040
Stock on 1st July, 2021	5,760
Buildings	22,000
Freehold Land	10,000
Machinery	20,000
Investments	10,000
Patents	7,500
Salaries	15,000
General Expenses	3,000
Insurance	600
Drawings	5,245
Sundry Debtors	14,500

Credit Balances	
Sales	98,780
Return Outwards	500
Capital	62,000
Sundry Creditors	6,300
Rent	9,000

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(Continued)

(3)

Taking into account of the following adjustments, prepare the Trading and Profit & Loss A/c and Balance Sheet as on 30th June, 2022 : 5+5+5=15

- (i) Stock on hand on 30th June, 2022—
₹ 2,600
- (ii) Machinery is to be depreciated @ 10% and patents @ 20% p.a.
- (iii) Outstanding salary—₹ 1,500
- (iv) Insurance includes a premium of ₹ 170 on a policy expiring on 31st December, 2022
- (v) Bad debts are ₹ 725
- (vi) Rent received in advance—₹ 1,000
- (vii) Interest on investment of ₹ 2,000 is accrued

2. Following facts have been ascertained from the records of Monty who maintains his books of account under single-entry system on 31st March, 2023 :

Receipts	₹	Payments	₹
Sundry Debtors	88,125	Plant	3,125
Cash Sales	20,625	Drawings	7,500

24D/870

(Turn Over)

(4)

Receipts	₹	Payments	₹
Additional Capital	12,500	Wages	33,625
		Salaries	5,625
		Interest Paid	375
		Telephone	625
		Rent	6,000
		Light and Powers	2,375
		Sundry Expenses	10,625
		Sundry Creditors	38,125
	1,21,250		1,08,000

It may be noted that, Monty banks all receipts and makes all payments only by means of cheques :

Assets & Liabilities	31.03.2022	31.03.2023
	₹	₹
Sundry Creditors	12,625	12,000
Sundry Debtors	18,750	30,625
Bank	3,125	?
Stock	31,250	15,625
Plant	37,500	36,575

From the above data, prepare Trading and Profit & Loss A/c for the year ended 31st March, 2023 and a Balance Sheet as on that date. 5+5+5=15

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(Continued)

(5)

Or

(a) A Ltd. forwarded on 1st January, 2023, 100 bicycles to B Ltd. of Kolkata to be sold on behalf of A Ltd. The cost of one bicycle was ₹ 250 but the invoice price was ₹ 300. A Ltd. incurred ₹ 1,000 on freight and insurance and received ₹ 10,000 as advance from B Ltd. B Ltd. paid ₹ 500 as octroi and carriage, ₹ 400 as rent, and ₹ 300 as insurance and by 30th June, 2023 had disposed of 80 bicycles for ₹ 32,000. B Ltd. is entitled to commission on sales at 5% on proforma invoice price and 25% of any surplus price realized. B remitted the amount due from him by a bank draft.

You are required to prepare necessary Ledger A/cs in the books of both consignor and consignee. 12

(b) Distinguish between double-entry system and single-entry system. 3

3. A, B and C were partners sharing profits in 3 : 2 : 1. On 1st January, 2023, B retired. On that date, Balance Sheet was as follows :

Liabilities	₹	Assets	₹
General Reserve	6,000	Plant	30,000
Expenses Owing	2,000	Patents	3,000

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(Turn Over)

(6)

<i>Liabilities</i>	₹	<i>Assets</i>	₹
Bills Payable	5,000	Debtors	9,500
Creditors	10,000	Stock	11,000
Capitals :		Cash	500
A	12,000		
B	10,000		
C	9,000		
	<u>54,000</u>		<u>54,000</u>

The terms were :

- (i) Goodwill was to be valued at ₹ 12,000 but no Goodwill Account was to be raised
- (ii) New ratio between A and C will be 3 : 2
- (iii) Expenses owing are to be brought down to ₹ 1,500. Plant is to be valued at 10% less and patent at ₹ 4,000
- (iv) The total capital of the new firm will be fixed at ₹ 25,000 to be contributed by partners in profit-sharing ratio

Prepare Revaluation A/c, Partners' Capital A/cs to record the above and prepare Balance Sheet after B's retirement. 5+5+5=15

(7)

Or

The following was the Balance Sheet of P, Q and R on 31st March, 2023 :

<i>Liabilities</i>	₹	<i>Assets</i>	₹
P's Capital	25,000	Freehold Property	10,000
R's Capital	15,000	Furniture	5,000
P's Current A/c	1,000	Stock in Trade	23,100
R's Current A/c	500	Debtors	30,000
Sundry Creditors	30,000	Cash	2,500
Loan from SBI	4,000	Q's Current A/c	4,900
	<u>75,500</u>		<u>75,500</u>

The partners shared profits and losses in the proportions of 6 : 3 : 5. It was decided to dissolve the partnership as on the date of the Balance Sheet.

The assets realized as under :

	₹
Freehold Property	6,000
Furniture	2,000
Stock-in-Trade	15,000
Debtors	20,000

The expenses of realization amounted to ₹ 2,000. The Sundry Creditors agreed to take 75 paise in a rupee in full satisfaction. It was ascertained that Q has become insolvent. A dividend of 50 paise in a rupee was received from the court receiver.

Prepare Realization A/c, Current A/c, Partners' Capital A/cs and Bank A/c. 15

4. Following are the particulars relating to hire-purchase :

- (i) Purchaser—Ram & Co.
- (ii) Seller—Shyam & Co.
- (iii) Date of purchase—1st January, 2021
- (iv) Asset purchased—Machine
- (v) Cash price—₹ 12,89,400
- (vi) Payments—₹ 2,00,000 consigning the agreement and the balance in the three equal annual instalments of ₹ 4,00,000 due on 31st December each year

(vii) Rate of interest—5% p.a.

(viii) Depreciation—20% on the written-down value each year

Make Journal Entries and prepare necessary Ledger A/cs in the books of both the parties following interest suspense method.

Calculations are to be made to the nearest rupee. 8+7=15

Or

(a) In the books of a lessee as on 1st January, 2022, a Landlord's A/c showed a credit balance of ₹ 28,000. Royalty agreement, inter alia, contained the following clauses :

(i) Minimum rent per year—₹ 56,000

(ii) Payment to the landlord be made as under :

50% of the amount payable in the year in which becoming due and the balance 50% next year.

Particulars relating to the years 2022 and 2023 are as follows :

Year	Payment	Shortworkings (Recovered)
	₹	₹
2022	56,000	800
2023	58,000	5,000

Calculate Royalties becoming due for the years 2022 and 2023. 6

- (b) Write short notes on the following : $3 \times 3 = 9$
- Minimum rent
 - Shortworkings
 - Ascertainment of cash down price of an asset under hire-purchase system

5. Answer any three of the following : $5 \times 3 = 15$

- Distinguish between Accounting Principles and Accounting Standards.
- Ascertain profit under single-entry system.
- Distinguish between dissolution of partnership and dissolution of a firm.
- Differentiate between hire-purchase system and instalment purchase system.

Or

Answer/Write on any three of the following :

$5 \times 3 = 15$

- Write a note on IFRS.
- Valuation of unsold stock on consignment
- The salient features of the LLP Act, 2008
- Differentiate between rent and royalty.
