

**1M/COM-100 Syllabus-2023**

**2 0 2 5**

( Nov-Dec )

**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) Briefly explain the objectives of Accounting Principles. 6
- (b) Bring out the key differences between Ind AS and IFRS. 6
- (c) Give the definition of Accounting. 3

( 2 )

Or

The following Trial Balance as on 31st March, 2025 was drawn from the books of Mr. R :

*Trial Balance*  
as on 31.03.2025

<i>Particulars</i>	<i>Dr.</i> ₹	<i>Cr.</i> ₹
Cash in Hand	70,000	
Cash at Bank	1,30,000	
Wages	1,50,000	
Sales		40,00,000
Machinery	19,20,000	
Bills Receivables	3,00,000	
Opening Stock	6,40,000	
Creditors		3,00,000
Purchases	25,00,000	
Sales Return	60,000	
Salaries	2,70,000	
Debtors	8,10,000	
Insurance	1,70,000	
Bad Debts	60,000	
Freight on Purchases	48,000	
Capital		28,00,000
Commission		38,000
Input CGST	5,000	
Input SGST	5,000	
	<u>71,38,000</u>	<u>71,38,000</u>

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( Continued )

( 3 )

Taking into consideration the following adjustments, prepare Trading A/c and Profit & Loss A/c for the year ended 31st March, 2025 and a Balance Sheet as on that date :

4+5+6=15

- (i) Closing Stock—₹ 8,00,000
- (ii) Outstanding Salaries—₹ 32,000 and Outstanding Wages—₹ 20,000. Salaries and Wages are not subject to levy of GST
- (iii) Prepaid Insurance—₹ 10,000 and Accrued Commission—₹ 12,000. Prepaid Insurance and Accrued Commission are subject to levy of GST @ 6% each
- (iv) Charge Depreciation on Machinery @ 10% p.a.
2. (a) Differentiate between Normal loss and Abnormal loss under consignment. 3
- (b) Mr. Green keeps his books on Single-entry System. From the following information provided by him, prepare a Trading and Profit & Loss A/c for the

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( Turn Over )

( 4 )

year ended 31st March, 2025 and a  
Balance Sheet as on that date : 12

	31.03.2024 ₹	31.03.2025 ₹
Furniture	10,000	12,000
Stock	6,000	2,000
Debtors	12,000	14,000
Prepaid Expenses	—	4,000
Creditors	4,000	?
Outstanding Expenses	1,200	2,000
Cash	2,200	600

Receipts and payments during the year  
were as follows :

	₹
Receipts from Debtors	42,000
Paid to Creditors	20,000
Carriage Inwards	4,000
Drawings	12,000
Sundry Expenses	14,000
Furniture Purchased	2,000

*Other Information :*

There were considerable amount of cash sales. Credit purchases during the year amounted to ₹23,000. Provide a Provision for Doubtful Debts to the extent of 10% on Debtors.

( 5 )

Or

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

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(b) Mr. X of Kolkata sent on 15th January, 2025, a consignment of 500 bicycles costing ₹1,000 each. Expenses of ₹7,000 were met by the consignor. Mr. Y of Mumbai spent ₹15,000 for clearance and the selling expenses were ₹100 per bicycle.

Y sold on 4th April, 2025, 300 bicycles @ ₹1,600 per bicycle and again on 20th June, 2025, 150 bicycles @ ₹1,720.

Y was entitled to a commission of ₹250 per bicycle sold plus one fourth of the amount by which the gross sale proceeds less total commission thereon exceeded a sum calculated @ ₹1,250 per bicycle sold. Y sent the amount due to X on 30th June, 2025.

You are required to show the Consignment A/c and Y's A/c in the books of X. Calculations should form part of your answer. 6+4+2=12

( 6 )

3. A, B and C were in partnership sharing profits equally, C died on 31st March, 2025. The Balance Sheet of the firm as at 31st December, 2024 was as under :

Liabilities	₹	Assets	₹
Sundry Creditors	15,600	Freehold	
General Reserve	6,000	Property	30,000
Investment Fluctuation Fund	2,100	Goodwill	13,500
Provision for Doubtful Debts	1,800	Investment (at cost)	8,000
Capitals :		Stock	28,000
A	30,000	Debtors	18,000
B	25,000	Cash in Hand and at Bank	4,000
C	21,000		
	<u>76,000</u>		
	<u>1,01,500</u>		<u>1,01,500</u>

On the date of death it was found that :

- (i) Freehold property was worth ₹ 57,000
- (ii) Debtors were all good
- (iii) Stocks were valued at ₹ 25,000
- (iv) Investments were valued at ₹ 7,500 and were taken over by A at that value
- (v) A liability for Workmen's compensation for ₹ 3,000 was to be provided for
- (vi) Goodwill was to be valued at one year's purchase of average profits of last 5 years

( 7 )

- (vii) C's share of profit up to the date of death was to be calculated on the basis of last year's profit

The profits of the last 5 years were as under :

	₹
2020	11,500
2021	12,500
2022	8,000
2023	10,000
2024	12,000

Prepare Revaluation A/c, Capital A/cs and Balance Sheet of the remaining partners.

5+5+5=15

Or

X, Y and Z are three partners sharing profits and losses in the ratio of 2 : 2 : 1. Given below is the Balance Sheet on 31st March, 2025, when the firm was dissolved :

Liabilities	₹	Assets	₹
Sundry Creditors	1,50,000	Plant and Machinery	48,000
X's Loan	20,000	Land and Buildings	40,000
X's Capital	40,000	Furniture	2,000
Y's Capital	20,000	Sundry Debtors	20,000
		Stock	56,000
		Cash and Bank	4,000
		Profit & Loss A/c	50,000
		Z's Capital A/c	10,000
	<u>2,30,000</u>		<u>2,30,000</u>

The assets realized as follows :

	₹
Plant and Machinery	20,000
Land and Buildings	35,000
Furniture	500
Sundry Debtors	9,500
Stock	31,000

The position of the partners were as follows :

	<i>Private Estate</i>	<i>Private Liabilities</i>
	₹	₹
X	16,000	12,000
Z	10,000	13,000

Y was able to pay only ₹2,667 out of what was payable on his account to the firm. The expenses of realization amounted to ₹1,000

Prepare Realization A/c, Capital A/cs, Bank A/c, Deficiency A/c to close the books of the firm. 4+5+3+3=15

4. Mr. Robin owned the patent of a machine. S Ltd. acquired the right to manufacture and sell these machines for seven years on the following terms :

S Ltd. to pay Mr. Robin a royalty of ₹5 for each machine sold with a minimum annual payment of ₹50,000. Accounts are to be settled annually on 31st March.

If in any year the royalty calculated on machines sold amounted to less than ₹50,000, S Ltd. is to have the right to deduct the deficiency from the royalty payable in excess of that sum in the following two years.

The number of machines sold was as follows :

<i>Year ended</i>	<i>No. of</i>
<i>31st March</i>	<i>Machines Sold</i>
2022	8000
2023	9000
2024	11000
2025	18000

You are required to prepare the necessary Ledger A/cs to record the above royalty transactions in the books of S Ltd. which are closed annually on 31st March. 3+2+5+5=15

Or

M Company purchased machinery from K Company on Hire Purchase agreement on 1st January, 2022, paying cash ₹10,000 and agreeing to pay three further instalments of ₹10,000 each on the 31st December of every year. The cash price of the machinery is ₹37,250 and the K Company charges interest at 5% per

annum. *M* Company writes off 10% depreciation every year on cash value of the machinery on the reducing balance system.

Prepare Machinery A/c, *K* Company A/c, Interest A/c and Depreciation A/c in the books of *M* Company. Show your workings.

$$5+4+2+2+2=15$$

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

$$5 \times 3 = 15$$

- (a) Briefly explain the various branches of accounting.
- (b) Write an explanatory note on 'Del Credere Commission'. How does it effect the treatment of Bad Debts in the books of Consignor and Consignee?
- (c) What is the rule in 'Garner vs. Murray' Case? In what situation would it apply? Does it apply to firm constituted under the Indian Partnership Act?
- (d) What do you mean by recoupment of shortworkings? How is shortworking recouped under Royalty A/cs?

Or

Answer any *three* of the following questions :

$$5 \times 3 = 15$$

- (a) Why is the distinction between Capital and Revenue of great importance in Accounting? Explain.
- (b) What is an 'Account Sales'? How does it differ from an invoice?
- (c) Explain the objectives of taking a joint life policy by a partnership firm.
- (d) Elucidate the accounting treatment of repossessed goods on default made by hire purchaser.

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