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END SEMESTER EXAMINATION – NOV/DEC 2025

COMMERCE – I SEMESTER BCOM

25BCO13: FINANCIAL ACCOUNTING

Time: 3 Hours **Max. Marks: 80**

Instruction: *Answers should be written completely in English*

SECTION-A

1. Answer any **SEVEN** questions. Each question carries **TWO** marks each. **(7X2=14)**
   a) Give the meaning of Accounting Concept.
   b) Mention any two objectives of accounting .
   c) What is meant by sale of goods for approval or return basis?
   d) What do you mean by Non-recurring expenses?
   e) Define Consignment.
   f) State any two advantages of selling goods on approval or return basis.
   g) What is Royalty?
   h) What is Minimum Rent?
   i) Define Insurance.
   j) State the format for ascertaining actual loss of stock

SECTION-B

Answer any **THREE** questions. Each question carries **EIGHT** marks. **(8X3=24)**

2. On 1st July 2025, a fire destroyed the stock of a business firm. From the records which were saved, the following information was obtained:
   - Stock on 1.4.2024 – ₹ 45,000
   - Stock on 31.3.25 – ₹ 55,000
   - Purchases for the year 2024-25 – ₹ 1,29,250
   - Purchases for 3 months upto 30.6.2025 – ₹ 60,000
   - Sales for year ended 31.03.2025 – ₹ 1,70,000
   - Sales up to the date of fire 2024-25 – ₹ 1,00,000
   - Manufacturing expenses for the year 2024-25 – ₹ 21,000
   - Manufacturing expenses upto 30.6.2025 – 5250

   In May 2025, goods valued at a cost price of Rs.500 were distributed as samples. The salvaged stock was estimated at Rs.7000. Show the amount of claim

3. Explain the Conventions of Accounting.
4. Mr . Raju consigned 50,000 unit costing Rs 5 each to Mr. Umesh . Mr. Raju incurred Rs 10,000 for sending the goods . 2,500 units were normally destroyed in transit. Mr. Umesh took delivery and paid Rs 1,500 for bringing the goods to the godown . Consignee sold 30,000 units @ Rs 10 each. Consignee paid selling expenses of Rs 10,000. Calculate the value of Closing stock
5. Prepare an analysis table of Royalties from the following details :
   - Minimum Rent = ₹ 60,000 p.a.
   - Royalty = ₹ 4 per ton of ore raised
   - Short workings are recoverable during first 3 years of lease.
   - The output for the first four years was as follows:
   - 2015-16 : 4,000 tons ,2016-17 : 8,000 tons,2017-18 : 16,000 tons, 2018-19 : 24,000 tons
6. Mr. Prakash sent goods on sale or return basis to customers as follows:

Date	Customer	Amount (₹)	Remarks
3-09-2023	Karan	1,20,000	Goods returned on 10-09-2023
8-09-2023	Laya	1,40,000	Goods worth ₹20,000 returned on 16-09-2023
12-09-2023	Meena	90,000	Goods retained on 25-09-2023
15-09-2023	Nitin	1,00,000	No information till 30-09-2023
20-09-2023	Omkar	80,000	Goods retained on 02-10-2023

Goods return period = 15 days from dispatch.
Goods sent at cost plus 30%. Books closed on 30th September 2023.
Prepare: a) Goods on Sale or Return Day Book b)Goods on Sale or Return Total Account

SECTION-C

Answer any **THREE** questions. Each question carries **FOURTREEN** marks. **(3X14=42)**

7. Prepare the accounting equation.
   a) Commenced business with cash ₹ 1,20,000.
   b) Purchased Assets for cash ₹25,000.
   c) Sold Assets of ₹10,000 for 12,000.
   d) Sold Assets of ₹5,000 for ₹4,000.
   e) Goods destroyed by fire ₹ 1,000.
   f) Withdrew cash for personal use ₹ 5,000.
   g) Rent outstanding 5,000.
   h) Insurance paid in advance ₹400.
   i) Interest on loan allowed ₹6,000.
   j) Depreciation on Furniture ₹2,500.
8. Arun of Chennai sends 50,000 units at ₹30 each on consignment to Kiran of Delhi. Arun pays ₹10,000 freight and ₹8,000 insurance. Kiran incurs godown rent ₹5,000, carriage inward ₹3,500, selling expenses ₹6,000. Kiran sells 45,000 units at ₹50 each. Normal loss 5% of goods consigned. Kiran's commission 5% on sales. Kiran accepts a 3-month bill of ₹8,00,000 drawn by Arun. Prepare Arun's necessary ledger accounts.

9. Bihar Coal Company undertook some coal-bearing land from Mr. Gupta at a royalty of ₹1 per ton, with a minimum rent of ₹17,000 per annum. Each year's excess of minimum rent over actual royalties was recoverable during the subsequent three years. If the minimum rent was not attained due to strike, it would be reduced proportionately based on the length of the stoppage.

Year	Output (tons)
2013–14	2,000
2014–15	14,000
2015–16	19,000
2016–17	23,000
2017–18	15 ,000 (Strike for 3 months)
2018–19	25,000

Prepare: Royalties account, short workings account and Mr. Gupta's Account in the books of Bihar coal company.

10. The Karnataka Minerals Ltd. acquired a lease from a landlord for the purpose of extracting ore. It was agreed that the company should pay ₹12 per ton of ore raised subject to a minimum rent of ₹36,000 a year and that the shortworking could be recouped in the first 3 years.

Year	Production (Tons)
2012–13	1,750
2013–14	2,750
2014–15	3,750
2015–16	4,750

Prepare: a) Royalties Account b) short working account and c) landlord account

11. The premises of Mercantile Traders caught fire 1/10/2024. And their stock was damaged. The stock was fully insured. The concern has made accounts up to 31st March of each year. The following information is available:

Stock on 31.3.2024	1, 32,720
Stock on 01.4.2023	96,140
Purchases from 1.4.2024 upto date of fire	3, 48,270
Purchases upto 31.3.2024	4, 52,580
Sales upto 31.3.2024	5, 20,000
Sales from 1.4.2024 upto date of fire	4, 91,700

Further Information:

- In August 2024, goods costing Rs. 10,000 were given away for advertising purposes, no entry being made in the books.
- During 2024-25, a clerk had misappropriate unrecorded cash sales of Rs.4, 000.
- The rate of Gross Profit is constant over the years.
- Value of stock salvaged was Rs 13,000 and the expenses incurred to extinguish fire Rs 800. From the above information, prepare a statement showing the claim for loss of stock.