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END SEMESTER EXAMINATION – NOV/DEC 2025

COMMERCE – I SEMESTER BCOM TTM (Repeaters)

24BCO13B: FINANCIAL ACCOUNTING

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

Instruction: *Answer should be written completely in English*

SECTION - A

1. Answer any **SEVEN** questions. Each question carries **TWO** marks. **(7X 2=14)**

a) Mention any two objectives of Financial Accounting.
b) Expand ICAI, IFRS.
c) What do you mean by Fire Insurance?
d) What is Gross Profit Ratio?
e) What is Business Entity concept?
f) Define Consignment.
g) What is Salvage?
h) What is Royalty?
i) Define Shortworking.
j) Journalize the following transactions:
- Commencement of business with cash of ₹1,50,000.
- Purchase of Machinery costing ₹2,50,000: Giving ₹1,00,000 in cash and remaining in loan account.

SECTION -B

Answer any **THREE** questions. Each question carries **EIGHT** marks. **(3X8=24)**

2. What are the functions of accounting?
3. Write a note on consignment.
4. Prepare an analytical table of royalty from the following details.
   a. Minimum rent Rs. 40,000 p.a
   b. Royalty Rs. 2 per ton of ore raised
   c. Short workings are recoverable during the first 3 years of the lease only.
   d. The output for the first 4 years was 2021-2,000 tons, 2022-5,000 tons,2023-10,000 tons, 2024-20,000 tons.

5. Calculate the total purchases from the following information

   i. Opening balance of creditors ₹3,000
   ii. Cash Paid to creditors ₹90,000
   iii. Goods returned to creditors ₹15,000
   iv. Acceptance issued to creditors ₹90,000
   v. Discount allowed by creditors ₹2,000 Closing balance of creditors ₹6,000 cash purchase during the period amounted to ₹50,000

6. Ram consigned 2000 tons of coal @ Rs 50 per ton to shyam of Delhi. He paid Rs 20,000 as freight. Due to normal wastage 1,950 tons only were received by Shyam. He paid Rs 5,000 as unloading charges. Goods sold were 1,300 tons. You are required to calculate the value of closing stock.

SECTION – C

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

7. a) Explain the steps involved in calculating insurance claim.
   b) Explain the Principles the Fire insurance.

8. Mr. Lakshman started his business on 1-4-2024 in the name of "Sri Ranga Enterprises" by using accounting equations show effect of the following transactions on the assets, liabilities and capital:
   - Initial capital invested ₹ 3,00,000.
   - Open a bank account with ₹45,000.
   - Shop advance ₹37,500 paid to the land lord.
   - Purchase furniture for ₹12,000 for the use in business.
   - Purchase goods for cash ₹7,500.
   - Sold part of goods for ₹52,500.
   - Withdrew cash for ₹30,000 for domestic use. • Incurred the following expenses. Rent: ₹22,500 and electricity bill ₹7,500.

9. Balu Traders have taken a fire policy of ₹4,80,000 covering its stock in trade. A fire occurs on 31-6-2024 and stock was destroyed with the exception of the value of ₹1,24,080.
   Following particulars are available from the books of accounts of the firm.
   - Stock on 1-4-2024 ₹1,80,000
   - Purchase to the date of fire ₹7,80,000
   - Sales to the date of fire ₹5,40,000
   - Carriage inwards ₹24,000
   - Commission paid on purchase 2%

- Rate of gross profit on cost 50% • The policy was subject to average clause. You are required to calculate:

i) Total Loss of stock ii) Amount of claim to be lodged with insurance company
iii) Loss suffered due to under insurance.

10. Kumar Mining Company, is engaged in working in a coal mine on 1st April 2024. It entered into an agreement with the owner of the land which provides for

    i) A Royalty of ₹20 per ton of coal raised
    ii) Minimum rent of ₹50,000 pa
    iii) Recovery of shortworking within a period of first 3 years

    Output during the first 5 Years was as follows

Year	**Output (Tons)**
2012-13	2,000
2013-14	2250
2014-15	3,000
2015-16	3,800
2016-17	5,000

    The amount due to landlord is paid at the end'of each year.
    You are required to pass Journal entries and prepare necessary ledger accounts of Jyothi Mining Company.

11. Rohit of Mumbai consigns 80,000 units at ₹25 each to Sahil of Pune. Rohit pays ₹20,000 freight and ₹10,000 insurance. Sahil incurs ₹8,000 unloading, ₹6,000 godown rent, ₹9,000 selling expenses. He sells 70,000 units at ₹40 each. Normal loss 3% of goods consigned. Sahil's commission 6% on sales. Sahil remits the balance by bank draft after settling all dues. Prepare necessary ledger accounts in Rohit's books.