

Or

What is the meaning of Installment payment system ? What is the difference between Installment payment system & Hire purchase system? Explain.
[15 Marks]

Unit - V

5. P,Q, and R share profits of a firm in the ratio 2 : 1 : 1. On the date of dissolution their Balance Sheet was as follows :

Liabilities	Rs
Creditors	14,000
Capitals :	
P Rs 10,000	
Q Rs 10,000	
R Rs 6,000	26,000
	40,000

Assets	Rs
Total Assets	40,000
	40,000

The assets realized Rs 34,000 , Which were received in installments of Rs 14,000, Rs 10,000, Rs 10,000. Prepare a statement showing Distribution of Cash. Use proportionate Capital Method.

Or

What is meant by Dissolution of partnership firm? Give necessary journal entries on Dissolution.
[15 Marks]



KRISHNA INSTITUTE OF SCIENCE & COMMERCE
COLLEGE CODE - 384
(KISC)

B.Com (Part-I) 2021-22

Model Test Paper

Subject:- FINANCIAL ACCOUNTING

Time: 3 Hrs

Max. Marks : 75

Attempt all the five questions. One question from each Unit is compulsory.

Unit - I

Record the following transactions in "A"s Journal :

April 2021

1. A commenced business with Rs 70,000 out of which Rs 50,000 were his own and he took a loan from his brother 'B' Rs 20,000.
 2. Goods lost : in Railway transit Rs 50,000, by fire Rs 30,000.
 3. Claims made for goods lost by fire but not admitted by Insurance Company Rs 3,000 and admitted Rs 27,000.
 4. Salaries due to clerks Rs 2,000, Rent received in Advance Rs 1,200.
 5. Sold goods worth Rs 4,000 at 15% Trade Discount and 2.5% Cash Discount , Received 60% Amount immediately.
 6. Purchased goods for 7,00,000 from Rama Traders , at 20% Trade discount, Assume CGST @ 9% and SGST @9%
 7. Goods withdrawn by Proprietor for personal use Rs 30,000 charging CGST and SGST @ 6 % each.
 8. Bank informed dishonour of cheque of hari amounting Rs 1,000.
- [15 Marks]

Or

Define Accounting briefly describe its objects and various branches of Accounting.
[15 Marks]

Unit - II

2. The following Trial Balance was extracted from the books of Merchant on 31 st March, 2021

	Amount (dr.)	Amount (cr.)
Opening Stock	3,460	-
Purchase and Sales	5,475	15,450
Sales Return and Purchase Return	200	125
Bad Debts	125	-
Reserve For Bad Debts	-	200
Advertisement	450	-
Interest	118	-
Commission	-	375
Taxes and Insurance	1,250	-
General Expenses	782	-
Salaries	3,300	-
Furniture	640	-
Delivery Van	6,250	-
Buildings	7,500	-
Capital	-	12,500
Debtors and Creditors	3,800	2,500
Bank Overdraft	-	2,850
Cash in Hand	650	-
	34,000	34,000

From the following information prepare Trading and Profit & Loss Account and Balance Sheet :

[15 Marks]

- Stock on 31 st March 2021 was valued at Rs 3,250.
- Depreciate Building at 5%,Furniture at 7.5% and Delivery Van 18%.
- One-third of the commission received is in respect of work to be done next year.
- Goods costing Rs 600 were taken away by the proprietor for his personal use, for which no record has been make in the books.
- Create a Reserve 5% for bad and doubtful debts on debtors.

Or

What do you understand by Rectification of Errors ? Explain clearly one-sided and two-sided errors and their rectification. [15 Marks]

Unit - III

3. What do you understand by Receipts – Payments Account and Income –Expenditures Account? Write main difference between them.

Or

A Company purchased on 1st January 2014 a second –hand plant for Rs 30,000 and immediately Spent Rs 20,000 in overhauling it. On 1st july 2014 additional machinery of a cost Rs 25,000 was purchased. On 1st july 2016 the plant purchased on 1st January 2014 become obsolete and was sold for Rs 10,000. On that date a new machinery was purchased at accost of Rs 60,000.

Depreciation was provided annually on 31st December at 10 % per annum on the original cost of the assets. In 2017, however, the company changed this method of providing for depreciation and adopted the method of writing –off 15 % on diminishing value since 1st January 2014.

(Show with working) the plant account for year 2014 to 2019

[15 Marks]

Unit - IV

4. On 1st april 2013 B.S. Coal company obtained wagons on hire-purchase system . The cash price of the wagon was Rs 11,50,000. Payment was to be made as to Rs 1,50,000 down and as to balance in five annual installments of Rs 2,00,000 per year with 5 % per annum interest.

B.S. Coal Company write-off depreciation @ 10 % per year on reducing balance method . prepare necessary Ledger Accounts in the books of the company .

[15 Marks]