



Register Number:

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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27

B.COM /IFA - I SEMESTER

SEMESTER EXAMINATION: OCTOBER 2019

BCIFA 1119 – FINANCIAL ACCOUNTING

Time- 2 ½ hrs

Max Marks-70

This paper contains FIVE printed pages and four parts

SECTION A

Answer any FIVE of the following questions. Each question carries two marks.

(5x2marks=10)

1. Fixed assets are held by business for _____
 - a) Converting into cash
 - b) Generating revenue
 - c) Resale
 - d) None of the above
2. Goods sold on credit should be recorded in _____ Book
 - a) Cash Book
 - b) Sales Return book
 - c) Sales Book
 - d) Purchase Book
3. What is Sales tax?
4. What do you mean by Liability?
5. The comparison of financial statement of one year with that of another is possible only when _____ concept is followed
 - a) Going Concern
 - b) Accrual
 - c) Consistency
 - d) Materiality
6. Which of the following is incorrect?
 - a) Goodwill - intangible asset
 - b) Sundry debtors - current asset
 - c) Loose tools tangible-fixed asset
 - d) Outstanding expenses- current assets.

SECTION B

Answer any THREE of the following questions. Each question carries five marks.

(3x5marks=15)

7. Explain the different business documents:
 - a. Cash vouchers,
 - b. Goods despatched note,

- c. Purchase order,
 - d. Credit note,
 - e. Debit notes
8. Explain the following:
- a. Gross Profit margin,
 - b. Return on capital employed
 - c. Quick ratio
 - d. Operating profit margin
 - e. Inventory turnover period
9. Explain the following with example:
- a. Tangible assets
 - b. Depreciation
 - c. Intangible assets
 - d. Amortization
 - e. Receivables
10. Explain the various user of financial statement.

SECTION C

Answer any TWO of the following questions. Each question carries fifteen marks.

(2x15marks=30)

11. Enter the following transactions of Hi-Life Super Market in required subsidiary books (Sales Book, Sales Return book, Purchase book and Purchase Return Book) for the month of September 2017.

Date	Details
2017 Sept. 01	Purchase of following goods on credit from M/s Ratna Traders, as per Invoice No.714: 25 Shirts @ Rs.300 per shirt 20 Pants @ Rs.700 per pant
Sept. 08	Purchase of following goods on credit from M/s Bombay Fashion House, as per Invoice No.327 10 Fancy Trousers @ Rs.500 per trouser 20 Fancy Hat @ Rs. 100 per hat
Sept. 10	Goods returned to M/s Ratana Traders, as per debit note No.102 : 3 shirts @ Rs.300 per shirt 1 Pant @ Rs.700 per pant
Sept. 15	Purchase of following goods on credit from M/s Zolta Fashions, as per Invoice No.6781 : 10 Jackets @ Rs.1000 per jacket 5 Plain shirts Rs.200 per shirts

Sept. 20	Purchase of following goods on credit from M/s Bride Palace, as per Invoice No.1076 : 10 Fancy Lengha @ Rs.2,000 per lengha
Sept. 24	Goods returned to M/s Bombay Fashion House as per debit note No.103 : 2 Fancy Trousers @ Rs.500 per trouser 4 Fancy Hat @ Rs.100 per hat
Sept. 28	Goods returned to M/s Bride Palace as per debit note No.105 : 1 Fancy Lengha @ Rs.2,000 per lengha
Sep.01	Sold goods on credit to M/s Rohit Stores as per invoice no.325 : 30 Kids Books @ Rs. 60 each. 20 Animal Books @ Rs. 50 each
Sep. 05	Sold goods on credit to M/s Mera Stores as per invoice no.328 : 100 Greeting Cards @ Rs.12 each. 50 Musical Cards @ Rs. 50 each
Sep. 10	Sold Goods on credit to M/s Mega Stationers as per invoice no.329 : 50 Writing Pads @ Rs. 20 each. 50 Colour Books @ Rs. 30 each 20 Ink Pads @ 16 each
Sep. 15	Goods Returned from M/s Rohit Stores as per credit note no.201: 2 Kids Books @ Rs. 60 each 1 Animal Book @ Rs. 50 each
Sep. 19	Sold goods on credit to M/s Abha Traders as per invoice no.355 : 100 Cards Books @ Rs. 10 each. 50 Note Books @ Rs. 35 each
Sep. 22	Goods returned from M/s Mega Stationers as per credit note no.204: 2 Colour Books @ Rs. 30 each
Sep. 26	Sold goods on credit to M/s Bharti Stores as per invoice no.325 : 100 Greeting Cards @ Rs. 20 each. 100 Fancy Envelopes @ Rs. 5 each
Sep. 30	Goods returned from M/s Abha Traders as per credit note no.207 : 20 Cards Books @ Rs. 10 each 5 Note Book@ Rs. 35 each

12. Explain the qualitative characteristics of financial information.

13. The financial statements of ABC Ltd. for the year ended 31 March 2014, with comparatives, are presented below.

Statement of profit or loss and other comprehensive income – year ended 2014 & 2015		
Particular	2014 Amount in Rs.	2015 Amount in Rs.
Revenue	1,391,820	1,159,850
Cost of sales	(1,050,825)	(753,450)
Gross profit	340,995	406,400
Operating expenses	(161,450)	(170,950)
Finance costs	(10,000)	(14,000)
Profit before tax	169,545	221,450
Tax	(50,800)	(66,300)
Profit for the year	118,745	155,150
		Nil
Total comprehensive income for the year	118,745	155,150

Statement of financial position for the year ended 2014 & 2015		
Particular	2014 Amount in Rs.	2015 Amount in Rs.
Non-current assets		
Property, plant and equipment	509,590	341,400
Current assets		
Inventory	109,400	88,760
Receivables	419,455	206,550
Bank	Nil	95,400
TOTAL	1,038,445	732,110
Particular	2014 Amount in Rs.	2015 Amount in Rs.
Equity and reserves		
ordinary shares	100,000	100,000
Share premium	20,000	20,000
Revaluation reserve	50,000	Nil
Retained earnings	376,165	287,420
Non-current liabilities		
10% Bank loan 20X7	61,600	83,100
Current liabilities		
Payables		
Bank overdraft		
Taxation	345,480	179,590
Bank overdraft	30,200	NIL
Taxation	55,000	62,000
TOTAL	1,038,445	732,110

By using the following Ratios:

- a. Gross profit margin,
- b. Operating profit margin,
- c. The return on capital employed
- d. Asset turnover,
- e. Inventory holding period,
- f. Current ratio,
- g. Acid test ratio,
- h. Debt-equity ratio,

Calculate the ratios and comment upon the Profitability, Liquidity and financial position for the year ended 2014 & 2015, together with the comparative for the earlier year.

SECTION D

**Answer the following compulsory question. The question carries fifteen marks.
(1x15marks=15)**

14. Following are transactions in the books of ABC Company prepare necessary ledger accounts for the month of July 2019.

1-Jan	Commenced business with cash	50000
3-Jan	Paid into bank	25000
5-Jan	Purchased furniture for cash	5000
8-Jan	Purchased goods and paid by cheque	15000
8-Jan	Paid for carriage	500
14-Jan	Purchased Goods from K. Murthy	35000
18-Jan	Cash Sales	32000
20-Jan	Sold Goods to Ashok on credit	28000
25-Jan	Paid cash to K. Murthy in full settlement	34200
28-Jan	Cash received from Ashok	20000
31-Jan	Paid Rent for the month	2000
31-Jan	Withdrew from bank for private use	2500