



ADIKAVI NANNAYA UNIVERSITY :: RAJAHMAHENDRAVARAM
B.Com GENERAL Syllabus (w.e.f: 2020-21 A.Y)

MODEL QUESTION COURSE
B.Com DEGREE EXAMINATION
SEMESTER: II
GENERAL
Course 2A: Financial Accounting

Time: 3Hrs.

Max. Marks: 75

SECTION-A

Answer any FIVE of the following questions.

5X5=25M

1. Depletion Method of Depreciation
2. General Reserve
3. Drawer
4. Normal Loss
5. Vendor
6. Bad debts
7. Del-credere commission
8. Consignor

SECTION- B

Answer FIVE questions.

5X10=50M

9. a) Define Depreciation. What are the causes for Depreciation?
(OR)
b) A company whose accounting year is the calendar year purchased on 1.1.2018 a machine for Rs.40,000. It purchased further machinery on 1st October 2018 for Rs. 20,000 and on 1st July for Rs. 10,000. On 1.7.2020, 1/4th of the machinery installed on 1.1.2018 became obsolete and was sold for Rs. 6,800. Show how the machinery account would appear in the books of the company for all the 3 years under diminishing balance method. Depreciation is to be provided at 10% p.a.
10. a) Define Provision and Reserve with examples and difference between provision and reserve.
(OR)
b) What are the provisions? How are they created? Give accounting treatment in case of provision for doubtful debts.
11. a) B owes C a sum of Rs 6,000. On 1st April, 2011 he gives a promissory note for the amount for 3 months to C who gets it discounted with his bankers for Rs 5,760. On the due date the bill is dishonoured, the bank paying Rs 15 as noting charges. B then pays Rs 2,000 in cash and accepts a bill of exchange drawn on him for the balance together with Rs 100 as interest. This bill of exchange is for 2 months and on the due date the bill is again dishonoured, C paying Rs 15 for noting charges draft the journal entries to be passed in C's books.
(OR)
b) What is meant by renewal of a bill of exchange? Distinguish between Promissory Note and Bills of Exchange.
12. a) Define consignment account. Briefly explain the features and objectives of consignment accounts.
(OR)
b) Raja Mills Ltd. of Ahmedabad sent 100 pieces shirting to Fancy Stores, Delhi, on consignment basis. The consignees are entitled to receive 5 per cent commission plus expenses. The cost to Raja Mills Ltd. is Rs 600 per piece.
Fancy Stores, Delhi, pay the following expenses: Railway Freight, etc. Rs 1,000 Godown Rent and Insurance Rs 1,500 Raja Mills Ltd., draw on the consignees a draft for Rs 30,000 which is duly accepted. It is discounted for Rs 28,650. Later Fancy Stores, Delhi, report that the entire consignment has been sold for Rs 78,000. Show journal entries and the important ledger accounts in the books of the consignor.
13. a) A and B were partners in a joint venture sharing profits and losses in the proportion of four-fifth and one-fifth respectively. A supplies goods to the value of Rs.5,000 and inures expenses amounting to Rs.400. B supplies goods to the value of Rs.4,000 and his expenses amounting to Rs.300. B sells goods on behalf of the joint venture and realizes Rs.12,000. B is entitled to a commission of 5 percent on sales. B settles his accounts by bank draft. Give journal entries and necessary ledger accounts in the books of both the parties.
(OR)
b) Difference between consignment and joint venture.