**SAINTGITS COLLEGE OF APPLIED SCIENCES,**

**Second Internal Examination [November 2018]**

**B.Com first Semester (Computer Applications & Taxations)**

**ANSWER SCHEME OF FINANACIAL ACCOUNTING**

1. The transaction between farm and farm households.
2. **Statement of Affairs** is a statement of assets and liabilities prepared on any date to find out the capital. It is prepared by those concerns which keep books under incomplete system.
3. **Normal Loss** is those losses which are unavoidable, expected loss which cannot be avoided at any cost with normal effort.
4. **The extra commission offered by consignor to the consignee for guaranteeing the entire amount of sales effected on consignment for bearing any bad debt.**
5. **Total Debtor Account** is prepared to ascertain Credit sales. If credit sale is available, sometimes any other item of debtors account may be missing which can be calculated through this account.
6. Insurance premium paid prepaid= 1200\*2/12= 200

 Insurance prepaid a/c Dr 200

 To insurance a/c 200

1. **Capital receipt** is amount received on account of capital introduced to the business, sale proceeds of fixed assets.
2. **Outstanding expenses** refer to those expenses which have become due during the accounting period for which final accounts have been prepared but have not yet been paid.
3. **Transfer of goods from one person to another for sale on commission on behalf of the person who sends the goods.**
4. **It is the statement prepared and send by the consignor to the consignee along with goods despacthed.**
5. **Assets having no realizable value are known as ficticious assets.**
6. .**An account sale** is periodical statement sent by the consignee to consignor showing the amount of gross sales, advance remitted,amount of expenses met etc..

**Section B**

1. Grouping means putting together items of similar nature under common heading .marshaling denotes the order in which assets& liabilities are shown in the balance sheet.
2. **a) Royalty :**it is a payment made by one person to another person for the use of right or ownership vested in the second person.

**b)Minimum Rent:** It is the minimum amount that should be paid by the lessee to the lessor in the particular period of lease, even if there is no output or the amount of output does not reach the level so fixed.

**c) Shortworking :** It is the excess of minimum rent over actual royalty calculated on the basis of output or sales.

**d) recoupment of short working**: The process of recovering short workings from the excess of royalties over minimum rent of future periods is known as recouping or recovery of shortwoking.

**e)Lessor & Lessee**: The person who lends the ownership right and receives payment as consideration is known as the **Lessor or landlord**

Lessee is the person who takes the property on lease and agrees to make payments to the owner of the asset is known as the **Lessee.**

1. When there is no del crdere commission :

 Consignment a/c dr

 To consignee (books of consignor)

 Consignors a/c dr

 To debtors (books of consignee)

 When delcredere commission is paid

 Bad debts a/c dr

 To debtors (books of consignee)

1. **Limitation of Single Entry System**
2. It is unscientific
3. Errors not located
4. No trial balance
5. Financial statements not prepared
6. Amount receivables and payables not easily ascertained
7. Division of accounting work not possible
8. No office control
9. No check on honesty of employees
10. Not accepted by tax authorities
11. Fraud increases
12. Difficult to obtain bank loans

**Provision for discount on debtors account**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | particulars | amt | date | partculars | amt |
| 1 | To discount allowedTo Balance c/d | 8006001400 |  | By Balance b/dBy P&L a/c | 9005001400 |

**Profit and loss ac (Dr) Balancesheet**

|  |  |  |  |
| --- | --- | --- | --- |
| To Bad debts+ new bad debt + new provision Discount allowed+ new provision-old provision | 12005001000800600900500 | By bad debts recovered | 300 |

|  |  |
| --- | --- |
| Assets | Amt |
| Sundry Drs* Bad debts
* Provision for bad debts
* Provision for discount
 | 21500500100060019400 |

18.

|  |  |
| --- | --- |
| **Consignment** | **Sales**  |
| \*Ownership is not transferred to consignee\* The relationship is that of principal and debtor\*Risk is not transferred to consignee\*expenses are borne by consignor\* right to return the unsold goods | \*Ownership is transferred to consignee\* The relationship is that of seller and buyer\*risk is transferred to the buyer\*exp. Are borne by buyer\* buyer cannot return the goods |

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Yr | Output | Min Rent | Royalty@10 | Amt paid | Shortworkings |
| 000102030405 | 160021002800260027002500 | 250002500025000250002500025000 | 160002100028000260002700025000 | 250002500025000250002700025000 | 90004000-- | 30001000 -- | 60003000 -- | 9000130004000--- |

1. **Consignment Account**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs | Particulars | Rs |
| To goods sent on consignment | 100000 | By S (90000+2000) | 92000 |
| To bank | 4000 | By goods sent on consignment | 20000 |
| To S | 1200 | By Insurance co | 5000 |
| To S | 5520 | By P & L (Abnormal loss) | 1520 |
| To stock reserve | 3000 | By stock | 15600 |
| To P&L | 20400 |  |  |
|  | 134120 |  | 134120 |

1. **Statement Of affairs 31-12-16**

|  |  |  |  |
| --- | --- | --- | --- |
| LiABILITIES | Rs | ASSET | Rs |
| Sundry crsCapital | 500030000 | Cash in handCash at bankDebtorsStock in tradefurniture | 300075001200065006000 |

**Statement of Profit and loss**

|  |  |
| --- | --- |
| Capital(+) drawings(-) Fresh capital(-)capital as on 1 st jan Profit | 3000060002000250009000 |

 **Section C**

1. **Gross Profit- Rs. 97000 Net profit- Rs. 70053 Balance sheet total- Rs. 250430**

**23.**

 **Statement Of affairs**

|  |  |  |  |
| --- | --- | --- | --- |
| LiABILITIES | Rs | ASSET | Rs |
| Sundry crsCapital | 10000016850 | Cash in handDebtorsStock in tradefurniture | 18508500125004000 |

 **Cash book**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amt | Particulars | Amt |
| To bal b/dSalesDebtorscommission | 185045000560001500272000 | PurchaseCreditorsWagesSalariesRentBusiness exp | 32000410004300460024002600272000 |

**Total Debtors Ac**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| To bal B/dsales | 850063700 | By cashBal c/d | 5600016200 |

Total creditors ac

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| To cashTo bal c/d | 4100011500 | Bal b/dpurchases | 1000042500 |

 Trading Ac and profit and loss

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| Opening stockPurchases 32000+42500Wages+ o/sG/PTo salariesRent paid –adv paidBusiness expDepreciation Net profit | 1250074500470039000**130700**46002200260040030700**40500** | **Sales****Closing stock****Gross profit****Commission received** | 10870022000**130700**390001500**40500** |

**Balancesheet Total : 59450**

**24. Cattle account**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| **To livestock opening****Chicken opening stock****Purchases****Chicks****Calves****Cattle food****Crop****Wages****Depreciation****Insurance****Net profit** | **80**15010 240 |  3200001500006000003000007000050000300001500040002170001756000 | By salesSlaughtered cattleSalesSales of chicks and chickencarcassesLivestock closingCattle waste sold | 75305130240 | **500000****180000****500000****5000****550000****21000****1756000** |

25. Consignment A/C

|  |  |  |  |
| --- | --- | --- | --- |
|  Particulars | Amt | Particulars | Amt |
| To goods sentTo bankTo NTo NTo NTo NTo P&L | 240000400098001632060010026380297200 | By NBy stock | 27200025200 297200 |

 N&co

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amt | Particulars | Amt |
| To consignment | 272000272000 | By B/RBy consignmentBy consignmentBy consignmentBy consignmentBy bank | 16000098001632060010085180272000 |

 Journal entries :

1. EXE& Co a/c Dr160000

 To B/P 160000

1. EXE& Co a/c Dr9800

To bank9800

1. Bank a/c Dr240000

Debtorsa/c Dr 32000

 To EXE& Co 272000

1. N a/c Dr 16320

To Commission 16320

1. N a/c Dr 600

To Debtors 600

1. Bank a/c Dr 2900

N a/c Dr 100

 To Debtors 3000

1. Bad debts a/c Dr 1600

 To Debtors 1600

1. N a/c Dr 85180

 To Bank 85180