K26FY1220 Pages: 3 Reg No:.....
Name:.....

Second Semester FYUGP Degree (Reg/Sup/Imp) Examination April 2026

KU2DSCCOM105 - FINANCIAL ACCOUNTING

2024 Admission onwards

Time : 2 hours Maximum Marks : 70

Section A

Answer any 6 questions. Each carry 3 marks.

1. What is Branch Accounting?
2. What is Debtors System of accounting for branches?
3. What is profit and loss account?
4. Define Balance Sheet.
5. What are Intangible Assets?
6. What are generally accepted accounting principles?
7. Define business transactions.
8. What is suspense account?

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Section B

Answer any 4 questions. Each carry 6 marks.

9. From the following details prepare the profit and loss account for the year ending 31-03-2024. Gross profit transferred from Trading A/c is Rs.1,97,500

	Amount (Rs)
Salaries	86,000
Discount Allowed	4,200
Discount Received	5,000
Bad Debts	17,000
Printing and Stationery	1,400
Depreciation	15,000
Insurance	11,500
Carriage outward	3,100
Interest received	6,700
Rent	24,000

10. Define Trading Account. What are the objectives of preparing Trading Account.
11. Explain the need and importance of Balance Sheet.

12. Briefly explain different accounting conventions.

13. The following trial balance has been prepared wrongly. You are asked to prepare the trial balance correctly.

Particulars	**Debit (Rs)**	**Credit (Rs)**
Cash in hand		2,000
Purchases Returns	4,000	
Wages	8,000	
Establishment expenses	12,000	
Sales Return		8,000
Capital	22,000	
Carriage outward		2,000
Discount received	1,200	
Commission earned	800	
Machinery		20,000
Stock		10,000
Debtors	8,000	
Creditors		12,000
Sales		44,000
Purchases	28,000	
Bank OD	14,000	
Manufacturing expenses		14,000
Loan From Ravi	14,000	
Carriage inward	1,000	
Interest on investment	1,000	
Total	113,000	113,000

14. Rectify the following errors:
a) Instead of crediting Rs.512 in Raju's account, Rs.215 has been debited to his account.
b) Sales of 172 has been entered as Rs.217 in sales account.
c) Discount allowed to Soman Rs.82 has been posted to his account as Rs.28 only.
d) Depreciation on machine Rs 250 has not been posted to depreciation account.

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Section C

Answer any 2 questions. Each carry 14 marks.

15. On 1st January 1996, Swaraj Ltd. forwarded goods of the invoice price of Rs 50,000 to Manek Lal of Mumbai to be sold on behalf of Swaraj Ltd. The invoice was made at a profit of 25% on cost. Swaraj Ltd incurred Rs 4,000 for freight & insurance and received an acceptance equal to 60% of invoice price. Manek Lal paid Rs 2000 as octroi and Rs 1000 as godown rent. Consignee sold $\frac{3}{4}$ of the goods for Rs 48,000. Manek Lal is entitled to a commission of 5% of invoice price of goods sold and 20% of any surplus realized. Prepare Journal and important Ledger Accounts in the books of Swaraj Ltd.

16. What is consignment account? Write the accounting entries in the books of the consignor. Draft the proforma of Consignment Account and Consignee's Account.

17. From the following particulars relating to the Patna Branch for the year ending 31 st December 2024, show the journal entries and Patna Branch Account in the H.O. books under Debtors system

	Rs
Stock at Branch on 1-1-2024	8,900
Branch Debtors on 1-1-2024	4,700
Petty cash at branch on 1-1-2024	20
Goods sent to branch during the year	28,400
Cash sales during the year	15,800
Credit sales during the year	40,400
Cash received from Debtors	37,900
Cash sent to Branch for expenses:	
Rent	2,000
Salaries	6,000
Petty cash	1,000
Stock at branch on 31-12-2024	5,400
Petty cash at branch on 31-12-2024	30
Goods returned by branch	800

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