

# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



## B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIRST SEMESTER – APRIL 2016

**BU 1502 – FINANCIAL ACCOUNTING**

Date: 02-05-2016

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

### SECTION-A

**ANSWER ALL QUESTIONS**

**(10x2=20)**

1. How do you ascertain profit under net worth method of single entry?
2. Calculate sales: cost of goods sold Rs.2, 70,000; Rate of profit 25% on sales.
3. Briefly explain the debtors system of maintaining a branch accounts?
4. What do you understand by inter departmental transfer?
5. What are the items added to and reduced from the capital of a sole trader in balance sheet?
6. How do you ascertain cash price when it is not given in hire purchase system?
7. What is Partial Repossession?
8. Goods of Rs.80, 000 of M/s Raju & Sons are insured for Rs.70, 000 subject to average clause. Loss due to fire is assessed at Rs.16, 000 . Calculate what claim the insured will get from the insurers.
9. What is sale ledger?
10. If an asset was purchased for Rs.50,000 on 1.1.99 , what would be its value after three years, if it was depreciated at 10% per annum by
  - a) straight line method
  - b) written down value method.

### SECTION-B

**ANSWER ANY FOUR QUESTIONS**

**(4x10=40)**

11. What are the basis on which common expenses are apportioned among departments? Explain the procedure for preparations of departmental accounts?
12. On 1.1.1982 , machinery was purchased for Rs.30,000 .Depreciation at the rate of 10% on the original cost was written off during the first two years. For the next two years 15% was written off the diminishing balance of the account. The machinery was sold for Rs.15,000 . Write up the machinery account for four years and close the same.
13. A trader has not kept proper books of accounts. The following balances are placed to prepare a statement of gross profit and net profit for the year ended 31<sup>st</sup> march 1971 and a statement of affairs as at that date

	1-4-1970	31-3-1971
Cash in hand	5350	5400
Bank overdraft	45000	40000
Stock in trade	59350	62200
Sundry creditors	38600	37200
Sundry debtors	30200	29800
Bills receivable	42400	40800
Land & building	53000	53000
Furniture	4600	4600
Bills payable	62000	58000

Drawings during the year amounted to Rs.6000. Depreciation is to be calculated on land and buildings at 2% and on furniture and fittings at 10%. Provide for doubtful debts at 2 ½ %.

14. From the following particulars relating to Hyderabad branch for the year ended 31-12-2012. Prepare branch A/C in the head office books:

	Rs.	Rs.
Stock at the branch on 1-1-2012		15,000
Debtors at the branch on 1-1-2012		30,000
Petty cash at the branch on 1-1-2012		300
Goods sent to branch during 2012		2,52,000
Cash sales during 2012		60,000
Received from debtors during 2012		2,10,000
Credit sales during 2012		2,28,000
Cheques sent to branch during 2012:		
For salaries	9,000	
For rent & rates	1,500	
For petty cash	1,100	11,600
Stock at the branch on 31-12-2012		25,000
Petty cash 31-12-2012		200
Goods returned by the branch		2,000
Debtors on 31-12-2012		48,000

15. Mr.P purchased four cars for Rs.14,000 each on 1.1.1992 under the hire purchase system. The hire purchase price for all the four cars was Rs .60,000 to be paid as Rs.15,000 as down payment and 3 equal instalments of Rs.15,000 each at the end of each year. Interest is charged at 5%per annum. The buyer depreciates the car at 10%p.a. on straight line method .

From the above particulars give journal entries and relevant accounts in the books of Mr.P .

16. Give self balancing entries and adjustment accounts for the following transactions for the month of August 2010.

- i. Goods sold during the month on credit Rs. 5750
- ii. Received cash from debtors Rs. 1500
- iii. Received Bills Receivable Rs. 800
- iv. Goods returned during the month Rs. 30
- v. Discount allowed Rs. 35
- vi. Bad Debts Rs. 50
- vii. One Bills Receivable of Rs. 50 was dishonored by the debtor

17. A fire occurred in the premises of X Ltd on 10.10.91. All stocks were destroyed except to the extent of Rs.6,200. From the following figures, ascertain the loss of stock suffered by the company.

	Rs
Stock on 1.1.90	40,000
Purchases during 1990	1,45,000
Sales during 1990	2,00,000
Stock on 31.12.90	25,000
Purchases during 1991 upto the date of fire	1,52,200
Sales during 1991 upto the date of fire	1,89,000

**SECTION –C**

**ANSWER ANY TWO QUESTIONS:**

**(2x20=40)**

18. From the following trial balance, prepare trading account, P & L account and balance sheet for the year ending 31-12-1981.

	Rs		Rs
Purchases	11870	Capital	8000
Debtors	7580	Bad debts recovered	250
Return Inwards	450	Creditors	1250
Bank Deposit	2750	Return outwards	350
Rent	360	Bank overdraft	1570
Salaries	850	Sales	14690
Travelling Expenses	300	Bills Payable	1350
Cash	210		
Stock	2450		
Discount allowed	40		
Drawings	600		
	27,460		27,460

Adjustments

- 1 The closing stock on 31.12.81 was Rs.4200
  2. Write off Rs.80 as bad debts & create a reserve for bad debts at 5% on sundry debtors.
  3. Three months rent is outstanding.
19. Ramnath keeps his books on single entry system. From the following particulars prepare Trading and P&L A/c and balance sheet as on 31.12.2003.  
On 1.1.2003, his assets and liabilities were as follows.

	Rs.
Stock	50000
Sundry debtors	60,000
Machinery	60,000
Furniture	5,000
Sundry creditors	30,000
Bank overdraft	10,000

The Cash book gives the following information

	Rs.		Rs.
Receipts from debtors	80,000	Interest on Bank o/d	1,500
Cash sales	30,000	Salaries	5,000
Payment to creditors	40,000	Drawings	4,000
Cash purchases	25,000	General expenses	8,000
Rent	2,200		

Discount allowed to debtors was Rs.4,000 and discount earned from creditors was Rs.2,500. Goods worth Rs.3,000 were returned by the customers and goods worth Rs.1,500 were returned to the suppliers.  
On 31.12.2003 his position was as follows:

	Rs		Rs
Stock	45,000	Machinery	60,000
Sundry debtors	70,000	Furniture	5,000
Bills receivable	6,000	Sundry creditors	25,000
Bills payable	4,000	Salary outstanding	500

Depreciate machinery at 10% and furniture at 6%.

20. From the following information prepare departmental trading & P & L A/C in a columnar form of the three departments of SSN Ltd.

PARTICULARS	DRY CLEANING (Rs.)	DARNING (Rs.)	DYEING (Rs.)
Stock 1 <sup>st</sup> Jan 1996	4,00,000	3,40,000	9,40,000
Stock 31 <sup>st</sup> Dec 1996	3,30,000	4,38,000	8,17,000
Purchases	19,59,000	6,97,000	13,73,000
Sales	40,00,000	20,00,000	40,00,000
wages	72,800	3,00,000	2,46,000

Goods were transferred from one department to another at cost price as follows:

(a) Darning to dry cleaning Rs.2400 and to dyeing Rs.40200.

(b) Dyeing to dry cleaning Rs.25800 and to darning Rs.18000.

(c) Dry cleaning to darning Rs.3000 and to dyeing Rs. 24000.

APPORTION EQUALLY:

Stationery	Rs.5,418
Postage	Rs.4,050
General Expenses	Rs.2,37,618
Insurance	Rs.10,080
Deprecation	Rs.32,598

Rent & taxes Rs.1,80,000 is to be split in proportion to space occupied i.e. dry cleaning 4, darning 2, dyeing 2 and other space 2.

21. (A) Bring out the differences between hire purchase and installment purchase system.  
 (B) What are the different kinds of branches? Explain the features of dependent branches.

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