



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIRST SEMESTER – APRIL 2017

BC 1502- FINANCIAL ACCOUNTING

Date: 26-04-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART – A

ANSWER ALL THE QUESTIONS:

(10 x 2 = 20)

1. What is a contingent liability? Give some examples?
2. State any three limitations of single entry system?
3. List out the types of branch accounts?
4. State any four advantages of departmental accounts?
5. Describe briefly hire purchase system?
6. Prepare trading account by Mr. Ashok for the year ending 31.03.2009. From the following data :

	Rs.
Opening Stock	1,00,000/-
Purchases	5,60,000/-
Freight	40,000/-
Closing Stock	1,20,000/-
Sales	7,60,000/-
Carriage in Wards	20,000/-
Packing Expenses	10,000/-

7. From the following particulars calculate profit :

	Rs.
Capital at the beginning	8,00,000/-
Drawings during the year	1,80,000/-
Capital at the end	9,00,000/-
Capital introduced during the year	50,000/-

8. Calculate the Branch debtors on 01.01.2005

	Rs.
Credit Sales	50,000/-
Cash Received from Debtors	40,000/-
Branch Debtors on 31.12.2005	18,000/-
Discount Allowed	1,500/-

9. A fire occurred on 31.12.2009 in the premises of Merchant. Draft a statement showing the amount of claim to be lodged.

	Rs.
Stock on 31.12.2008	50,000/-
Purchases from 01.01.2009 to 31.12.2009	3,50,000/-
Sales from 01.01.2009 to 31.12.2009	4,40,000/-
Gross profit on sales was 20% and stock salvaged was at Rs. 8,000/-	

10. Mixed goods were purchased for Rs.1,00,000/- and later they were assorted into three categories x, y, z as follows :-

x : 1,000	Selling Price	Rs. 20. Each
y : 2,000	Selling Price	Rs. 22.50 Each
z : 2,400	Selling Price	Rs. 25. Each

All categories yield the same rate of profit calculate the purchase price of each category.

PART – B

ANSWER ANYFOUR QUESTIONS:

(4 x 10 = 40)

11. Distinguish between departmental accounts and branch accounts?
12. Explain the main features of hire purchase system?
13. The book value of plant and machinery on 01.01.2006 was Rs.4,00,000/-. New machinery was purchased on 01.10.2006 for Rs.20,000/- and on 01.07.2007 for Rs.40,000/-. On 01.04.2008, a machinery whose book value had been Rs.60,000/- on 01.01.2006 was sold for Rs.32,000/- and the entire amount was credited to profit and loss account. Depreciation had been charged at 10% p.a. Straight line method. Show the plant and machinery account from 01.01.2006 to 31.12.2008.
14. From the following information calculate credit purchases and total purchases :
- | | |
|---|----------|
| | Rs. |
| Cash Purchases | 29,000/- |
| Opening balance of bills payable | 7,500/- |
| Opening balance of creditors | 20,000/- |
| Closing balance of bills payable | 2,500/- |
| Closing balance of creditors | 18,000/- |
| Cash paid to creditors | 25,000/- |
| Cash paid to bills payable in the relevant year | 10,500/- |
| Purchases return | 1,500/- |
| Allowances from creditors | 800/- |
| Bills payable dishonoured | 300/- |
15. Indian Traders Bombay opened a Branch at Baroda on 01.01.1988. The following information is available in respect of the branch for the year 1988.
- | | |
|---|----------|
| | Rs. |
| Goods sent to Branch | 75,000/- |
| Cash Sales at Branch | 50,000/- |
| Credit Sales at the Branch | 60,000/- |
| Salaries of the Branch staff paid by head office | 15,000/- |
| Office expenses of the Branch paid by head office | 12,000/- |
| Cash remittance to branch towards Petty cash | 6,000/- |
| Petty cash on 31.12.1988 | 500/- |
| Debtors on 31.12.1988 | 5,000/- |
| Stock on 31.12.1988 | 27,000/- |
- Prepare branch account to show the profit or loss from the branch for the year 1988.
16. Mr.X purchased a machine on hire purchase system. Rs.30,000/- being paid on delivery and the balance in five instalments of Rs.60,000/- each, payable annually on 31st December. The cash price of the machine was Rs.3,00,000/-. Calculate the amount of interest for each years.

17. The following purchases were made by a business house having three departments:-
- | | | |
|--------------|-------------|-------------------------------|
| Department A | 1,000 units | at a total cost Rs.1,00,000/- |
| Department B | 2,000 units | |
| Department C | 2,400 units | |
- Stock on 1st January were :
- | | |
|--------------|-----------|
| Department A | 120 units |
| Department B | 80 units |
| Department C | 152 units |
- The sales were :
- | | |
|--------------|------------------------------|
| Department A | 1,020 units @Rs.20/- each |
| Department B | 1,920 units @Rs.22.50/- each |
| Department C | 2,496 units @Rs.25/- each |
- The rate of gross profit is same in each case. Prepare Departmental Trading Account.

PART – C

ANSWER ANYTWO QUESTIONS:

(2 x 20 = 40)

18. Discuss the various causes of depreciation?
19. Prepare trading, profit and loss account and balance sheet from the following trial balance of Mr. Vignesh.

Debit Balance	Rs.	Credit Balance	Rs.
Sundry Debtors	92,000	Vignesh Capital	70,000
Plant and Machinery	20,000	Purchase return	2,600
Interest	430	Sales	2,50,000
Rent, Rates and Insurance	5,600	Sundry Creditors	60,000
Conveyance Charges	1,320	Bank over draft	20,000
Wages	7,000		
Sales Return	5,400		
Purchases	1,50,000		
Opening Stock	60,000		
Vignesh's Drawings	22,000		
Trade Expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business Premises	12,000		
Furniture and Fixtures	10,000		
Cash in Hand	2,060		
	4,02,600		4,02,600

Adjustments :

- (i) Stock on hand on 31/12/1996 Rs.90,000/-
- (ii) Provide depreciation on premises at 2.5%, Plant and Machinery at 7.5% Furniture and Fixtures at 10%
- (iii) Write off Rs.800/- as further bad debts.
- (iv) Provide for doubtful debts at 5% on sundry debtors.
- (v) Outstanding rent was Rs.500/- and outstanding wages Rs.400/-
- (vi) Prepaid insurance Rs.300/- and prepaid salaries Rs.700/-

20. Rakesh purchased a motor car on hire purchase system. The total cash price of the car is Rs.15,980/-. Payable Rs.4,000/- down and three installments of Rs.6,000/- Rs.5,000/- and Rs.2,000/- payable at the end of first, second and third year respectively. Interest is charged at 5%p.a.

You are required to prepare ledger accounts in the books of hire purchaser. Rate of depreciation is 10% on straight line method. Calculations are to be made to the nearest rupees.

21. From the following information, prepare departmental trading and profit and loss account in a columnar form of the three departments of Sharma Dry Cleaners Ltd.,

Particulars	Dry Cleaning Rs.	Drying Rs.	Dyeing Rs.
Stock 1 st January 1996	4,00,000	3,40,000	9,40,000
Stock 31 st December 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	7,28,000	3,00,000	2,46,000

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

- i. Darning to dry cleaning Rs.2,400/- and to dyeing Rs.40,200/-
- ii. Dyeing to dry cleaning Rs.25,800/- and to darning Rs.18,000/-
- iii. Dry cleaning to darning Rs.3,000/- and to dyeing Rs.24,000/-

Apportion equally :

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

Rent and 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.
