



# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP**

**SECOND SEMESTER – APRIL 2022**

**18UBC2MC01 – FINANCIAL ACCOUNTING**

Dept.

Max. : 100 Marks

Date: 16-06-2022

Time: 01:00 PM - 04:00 PM

## SECTION A

**(10 X 2 = 20)**

ANSWER **ALL** QUESTIONS:

1. Define “Depreciation”.
2. What do you mean by independent branch?
3. Calculate loss on sale on machinery under straight line method from the following details:
  - a. Original cost of machinery on 1-1-1990 Rs. 80,000
  - b. Rate of depreciation – 5%
  - c. Date of sale machinery 1-7-1992
  - d. Sale of value of machinery Rs.50,000
4. What is hire purchase system?
5. What is the average clause?
6. P & Q are partners sharing profits in the ratio of 3:2. They admit R as a partner for 1/5 th share in future profit. Calculate the new ratio and sacrificing ratio.
7. Write any two features of Departmental accounting.
8. Write any two advantages of fire insurance.
9. What do you understand by inter-departmental transfers?
10. What do you mean by accounting standard?

## SECTION B

ANSWER **ANY FOUR** QUESTIONS

**(4 X 10 =40)**

11. Explain the various causes of depreciation.
12. Distinguish between hire purchase system and installment system.
13. Prepare Salem branch account from the following information;

Particulars	Rs.	Rs.
Sales at branch		
Cash	25,000	
Credit	39,000	64,000
Stock on 1/1/99		11,200

Branch debtors 1/1/99		6300
Goods sent to branch		51,000
Cash sent to branch for Rent	1,500	
Salaries	3,000	
Petty cash	500	5,000
Cash received from debtors		41,200
Stock on 31/12/99		13,600

14. A firm earned net profits during the last three years as follows:

I year Rs. 36,000

II year Rs.  
40,000 III year

Rs. 44,000

The capital investment of the firm is Rs. 1,20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profits.

15. What are different methods in preparation of Branch accounts?

16. Nisha purchased a machine for Rs 8,000 on 1st april 1990 .he spent Rs 3,500 on its installation .depreciation is written off @10% p.a on the original cost .on 30th june 1993 ,the machine was found to be unsuitable and sold for Rs 6,500 .prepare the machine account from 1990 to 1993 assuming that the accounts are closed on 31st December every year

17. From following details prepare departmental trading account

Particulars	Department A	Department B
Opening stock	9000	8400
Total Purchases	27000	21600
Total Sales	42000	36000
Closing stock	10800	4800
Credit purchases	17000	10600
Credit sales	5000	6000



**SECTION C****ANSWER ANY TWO QUESTIONS****(2 X 20 =40)**

18. Prepare final accounts from the following Trial balance of Mr. Victor as on 31/3/2012.

<b>Debit balances</b>	<b>Rs.</b>	<b>Credit balances</b>	<b>Rs.</b>
Land and building	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Stock 1/4/2011	5,760	Sundry creditors	6,300
Sundry debtors	14,500	Bills payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel	4,730		
Carriage inwards	2,040		
Carriage outwards	3,200		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
	<b>1,76,580</b>		<b>1,76,580</b>

**Adjustments:**

1. Stock Rs. 31/3/2012 Rs. 6,800
2. Salary outstanding Rs. 1,500
3. Insurance premium Rs.150
4. Depreciation on machinery 10% and patents 20%
5. Create a provision of 2 % on debtors for bad debts.

19. A and B share profits in the ratio of 3:1. Their balance sheet as on 31<sup>st</sup> December 2004 is asunder :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Creditors	37,500	Cash at bank	22,500
General reserve	4,000	Bills	3,000
Capital A 30,000		Receivables	20,000
Capital B 16,000	46,000	Stock	16,000
		Debtors	1,000
		Furniture	25,000
		Building	
	<b>87,500</b>		<b>87,500</b>

On 1/1/2004 they admit C as a new partner on the following arrangement:

1. C to bring Rs. 10,000 as capital for 1/5 share of profit.
2. The new firm to have goodwill Rs. 10,000.
3. Stock and Furniture to reduce by 10%, a reserve of 5% of debtors for doubtful debts to be created.
4. Building to appreciate at 20%.

Prepare revaluation account and balance sheet after admission of new partner.

20. Give the necessary Ledger Account and Balance Sheet. Mr. James purchased a four cars for Rs. 14,000 each on 1/1/99 under the hire purchases system. The hire purchase price for the car Rs. 60,000 to be paid as Rs. 15,000 down payment and 3 equal installments of Rs. 15,000 each at the end of the each year. Interest is charged at Rs. 5% p.a. The buyer depreciates the car at 10% p.a on straight line method. From the above details prepare journal entries in the books of James.
21. Explain the significance of various accounting standards.

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