



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIRST SEMESTER – APRIL 2022

UBC 1501 – FINANCIAL ACCOUNTING

(21 BATCH ONLY)

Date: 15-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

SECTION A

Answer ALL the Questions

1.	Define the following	(5 x 1 = 5)	
a)	Trial balance	K1	CO1
b)	Branch accounts	K1	CO1
c)	Hire purchase	K1	CO1
d)	Subscription	K1	CO1
e)	IFRS	K1	CO1
2.	Fill in the blanks	(5 x 1 = 5)	
a)	Give one example for depreciable asset	K1	CO1
b)	Agreement to sale is sale through _____ system	K1	CO1
c)	Organisation to develop Art, culture, sports are _____	K1	CO1
d)	The off-shoots of head office are termed as _____	K1	CO1
e)	Insurance policies taken for loss of stock may include _____	K1	CO1
3.	Match the following	(5 x 1 = 5)	
a)	Sole proprietorship	(i) Life membership	K2 CO1
b)	Depreciation	(ii) Final Accounts	K2 CO1
c)	Branch accounts	(iii) ICAI	K2 CO1
d)	Non profit organisation	(iv) obsolescence	K2 CO1
e)	Accounting standards	(v) Debtors system	
4.	TRUE or FALSE	(5 x 1 = 5)	
a)	In sole proprietorship final accounts are prepared in statement form	K2	CO1
b)	Depreciation is provided to show the elevated profit of the organisation	K2	CO1
c)	In Departmental accounting expenses are allocated among the departments on most equitable basis	K2	CO1
d)	Legacy is considered as revenue item in non profit organisation	K2	CO1
e)	In the memorandum trading account gross profit is calculated on normal sale alone.	K2	CO1

SECTION B

Answer any TWO of the following

(2 x 10 = 20)

5.	Explain the causes of depreciation.	K3	CO2																																																				
6.	Differentiate receipts and payments account and Income and expenditure account in non- profit organisation.	K3	CO2																																																				
7.	<p>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.</p> <table style="width: 100%; margin-left: 20px;"> <tr> <td>Goods sent to Branch</td> <td style="text-align: right;">75,000/-</td> </tr> <tr> <td>Cash Sales at Branch</td> <td style="text-align: right;">50,000/-</td> </tr> <tr> <td>Credit Sales at the Branch</td> <td style="text-align: right;">60,000/-</td> </tr> <tr> <td>Salaries of the Branch staff paid by head office</td> <td style="text-align: right;">15,000/-</td> </tr> <tr> <td>Office expenses of the Branch paid by head office</td> <td style="text-align: right;">12,000/-</td> </tr> <tr> <td>Cash remittance to branch towards Petty cash</td> <td style="text-align: right;">6,000/-</td> </tr> <tr> <td>Petty cash on 31.12.1988</td> <td style="text-align: right;">500/-</td> </tr> <tr> <td>Debtors on 31.12.1988</td> <td style="text-align: right;">5,000/-</td> </tr> <tr> <td>Stock on 31.12.1988</td> <td style="text-align: right;">27,000/-</td> </tr> </table> <p>Prepare branch account to show the profit or loss from the branch for the year 1988.</p>	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/-	K3	CO2																																		
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8.	<p>The following balances were extracted from the book of Prasad on 31st March, 1994.</p> <table border="1" style="width: 100%; margin-left: 20px; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%; text-align: center;">Rs.</th> <th style="width: 30%;"></th> <th style="width: 15%; text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td style="text-align: right;">50,000</td> <td>Creditor</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Drawing</td> <td style="text-align: right;">4,000</td> <td>Bad debts</td> <td style="text-align: right;">1,100</td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">5,000</td> <td>Loan</td> <td style="text-align: right;">15,760</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">22,000</td> <td>Sales</td> <td style="text-align: right;">1,30,720</td> </tr> <tr> <td>Machinery</td> <td style="text-align: right;">18,680</td> <td>Purchases</td> <td style="text-align: right;">94,000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">32,400</td> <td>Motor car</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Power</td> <td style="text-align: right;">4,480</td> <td>Reserve fund(Cr)</td> <td style="text-align: right;">1,800</td> </tr> <tr> <td>Taxes and insurance</td> <td style="text-align: right;">2,630</td> <td>Commission(Cr)</td> <td style="text-align: right;">2,640</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">14,400</td> <td>Car expenses</td> <td style="text-align: right;">3,600</td> </tr> <tr> <td>Debtor</td> <td style="text-align: right;">12,560</td> <td>Bills payable</td> <td style="text-align: right;">6,700</td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right;">6,600</td> <td>Cash</td> <td style="text-align: right;">160</td> </tr> <tr> <td>Charity</td> <td style="text-align: right;">210</td> <td></td> <td></td> </tr> </tbody> </table> <p>Stock on 31st March 1994 was valued at Rs 47,000. Prepare the final accounts for the year on 31st march 1994.</p>		Rs.		Rs.	Capital	50,000	Creditor	5,000	Drawing	4,000	Bad debts	1,100	General expenses	5,000	Loan	15,760	Buildings	22,000	Sales	1,30,720	Machinery	18,680	Purchases	94,000	Stock	32,400	Motor car	4,000	Power	4,480	Reserve fund(Cr)	1,800	Taxes and insurance	2,630	Commission(Cr)	2,640	Wages	14,400	Car expenses	3,600	Debtor	12,560	Bills payable	6,700	Bank overdraft	6,600	Cash	160	Charity	210			K3	CO2
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SECTION C

Answer any TWO of the following

(2 x 10 = 20)

9.	Bring out advantages and limitations of accounting standards	K4	CO3
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10. On 1st January 1993, a company purchased machinery for Rs.12,000 and on 30th June, 1994, it required a additional machinery at a cost Rs.2,000. On 31st march 1995 one of the original machines which had cost Rs.500 was found to have become obsolete and was sold for Rs.50. It was replaced on that date by a new machine costing Rs.800 Depreciation to be provided at the rate of 15 per cent per annum on the written down value . Show machinery account for first three years

K4 CO3

11. On 25th April, 1998, a fire occurred in the premises of a company. From the various books are saved from the fire, the following were ascertained.

K4 CO3

Particulars	Rs.
Stock on 1.1.98	93750
Purchases from 1.1.98 to the date of fire	3,75,000
Wages	75,000
Manufacturing expenses	37,500
Sales from 1.1.98 to the date of fire	5,62,500

The gross profit ratio for the past five years had average at 15% on sales. The stock salvaged was estimated at Rs. 28,125. Ascertain the amount of claim to be lodged in case of the loss of stock insured.

12. Calculation what amount will be posted to income and expenditure account Stationery from the following data:

K4 CO3

Stock of stationery on 1-1-1999	300
Advance paid for stationery on 31-12-1998	20
Amount paid for stationery in 1999	1,080
Stock of stationery on 31-12-1999	50
Creditors for stationery on 31-12-1999	130
Advance paid for stationery on 31-12-1999	30
Creditors for stationery on 1-1-1999	200

SECTION D

Answer any ONE of the following

(1 x 20 = 20)

13. From the following prepare an income and expenditure accounting for 1997

K5 CO4

Receipts	Rs.	Payment	Rs.
Opening balance		Salaries	4,800
Bank	1,800	Rent	500
Subscription		Stationery and postage	200
1996	500	Bicycle purchased	300
1997	8,300	National saving certificates	3,000
1998	600	Help to needy students	2,000
Sales of investments	2,000	Balance : Bank	2,700
Sales of old furniture (Book value Rs.400)	300		
	13,500		13,500

Subscription for 1997 still receivable were Rs.700. interest due on savings certificates Rs.100 and unpaid but due was Rs.60.

14. Prepare trading and profit and loss account and balance sheet for the year ended 31.3.99 K5 CO4

	RS
Capital	80,000
Drawings	6,000
Opening stock(1.4.98)	45,000
Purchases	2,50,000
Sales	3,10,000
Furniture	10,000
Debtor	40,000
Freight and octroi	4,800
Trade expenses	500
Salary	5,500
Rent	2,400
Advertisement	5,000
Insurance premium	400
Commission earned	1,300
Discount allowed	200
Bad debts	1,800
Provision for bad debts	900
Creditors	20,000
Cash	5,200
Bank	5,800
Goodwill(at cost)	20,000

Adjustment

- (a) closing stock RS 53,000
- (b) salaries have been paid for RS 11 months only
- (c) prepaid insurance premium RS 100
- (d) Commission earned but not received RS 122
- (e) create 3% provision for bad debt in debtor
- (f) depreciation on furniture at 10% is to be charged
- (g) ¼th of advertisement is to be written off

SECTION E

Answer any ONE of the following

(1 x 20 = 20)

15. Bring out the differences between instalment purchase and Hire purchase system K6 CO5

16. M/s Maruthu & sons has two departments, cloth and readymade. Readymade cloths are manufactured by the firm itself out of cloth supplied by the cloth department at its usual selling rate. From the following figures, prepare departmental trading and P & L A/c and general P/L A/c for the year ending 31.12.91 K6 CO5

	Cloth dept	Readymade dept
Opening stock on 1.1.91	3,60,000	60,000
Purchases	29,00,000	20,000
Sales	35,00,000	7,00,000
Transfer to readymade dept	4,50,000	-
Manufacturing expenses	-	1,40,000
Closing stock on 31.12.91	1,00,000	48,000

General expenses incurred for both the department were RS. 1,20,000. The stocks in the readymade department may be considered as consisting of 66⅔% cloth and 33⅓% other expenses. The cloth department earned profit at the rate of 18% in 1990
