



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

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

**FIRST SEMESTER – APRIL 2022**

**UBC 1501 – FINANCIAL ACCOUNTING**

**(19 & 20 BATCHES)**

Date: 15-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

**SECTION- A**

**Answer all the questions:**

**10X2=20 marks**

1. Define “Depreciation”.
2. What do you mean by independent branch?
3. What is an outstanding expense?
4. Calculate loss on sale on machinery under straight line method from the following details:
  - a. Original cost of machinery on 1-1-1990 Rs. 50,000
  - b. Rate of depreciation – 10%
  - c. Date of sale machinery 1-7-1992
  - d. Sale of value of machinery Rs.24,000
5. What is the average clause?
6. Write any two reasons for providing depreciation
7. Define hire purchase system.
8. What is goodwill?
9. Write a note on legacy.
10. What do you mean by accounting standard?

**SECTION- B**

**Answer any four questions:**

**4X10=40 marks**

11. Explain the various methods of depreciation.
12. What are the objectives of preparing departmental accounting ?

13. 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 the Head Office	15,000
Office expenses of the branch paid by the Head Office	12,000
Cash remittance to branch towards petty cash	6,000
Petty cash on 31.12.1988	500
Debtor 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 1998.

14. On January 1, 1987, IFB Ltd. acquired machinery from JK Ltd. for Rs. 1.886 (cash price) under a hire purchase agreement where Rs. 400 was the initial payment and two instalments of Rs. 800 would be paid. Interest @ 6% p.a. would be charged. Prepare the ledger accounts in the books of IFB Ltd. assuming rate of depreciation @ 10% (straight line). All instalments are paid properly, prepare ledger in the books of both parties

15. From the following particular prepare a receipts and payments a/c

Cash in hand	100
Cash at bank	500
Subscription received	3,300
Donation received	260
Investment purchased	1,000
Rent paid	400
General Expenses	210
Postage and stationery	70
Sundry Expenses	30
Cash balance close	20

16. What are the advantages and limitations of IFRS.

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

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

## SECTION- C

**Answer any two questions:**

**2X20=40 marks**

18. The following trial balance is extracted from the books of Kamalnath. Prepare Trading and Profit & Loss A/c and Balance Sheet for the year ended 31/12/2016.

Liabilities	Rs.	Assets	Rs.
Cash at bank	2,610	Creditors	4,700
Book debts	11,070	Discounts	150
Salaries	4,950	Creditors for expenses	400
Carriage inwards	1,450	Returns outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad debts	1,310	Capital	40,000
Office expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture & Fixtures	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on Property	1,200		
Freehold Property	10,800		
	<b>1,28,180</b>		<b>1,28,180</b>

Adjustments:

- (a) Make provision for doubtful debts at 5%.
- (b) Calculate discount on creditors at 2%.
- (c) Office expenses include stationery purchased Rs.800.
- (d) Carriage inwards includes carriage paid on purchase of furniture Rs.50.
- (e) Outstanding salaries Rs.150.
- (f) Prepaid insurance Rs.300.
- (g) Stock in hand Rs.10,700 (including stationery stock Rs.200).

19. A firm had two departments, cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures, prepare Departmental trading and profit and loss account for the year ended 31-3-2004.

	Cloth dept.	Readymade dept.
	Rs.	Rs.
Opening stock on 1-4-2003	3,00,000	50,000
Purchases	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to readymade garments dept.	3,00,000	-
Expenses: - manufacturing	-	60,000
- selling	20,000	6,000
Stock 31-3-2004	2,00,000	60,000

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 2002-03. General expenses of the business as a whole came to Rs.1,10,000.

20. Distinguish between hire purchase system and instalment system.

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

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

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