

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

**B.Sc. DEGREE EXAMINATION – STATISTICS**

SECOND SEMESTER – APRIL 2010

**CO 2104 / 2101 - FINAN.A/C & FINANCIAL STATEMENT ANALYSIS**

Date & Time: 22/04/2010 / 1:00 - 4:00

Dept. No.

Max. : 100 Marks

**SECTION A**

Answer **all** the questions:

(10 x 2 = 20)

1. What is narration?
2. Write any two examples of fictitious asset.
3. How is earning per share calculated?
4. What is a contra entry?
5. Give any two differences between a profit and non profit seeking concern.
6. There is no increase or decrease in working capital when cash is paid to \_\_\_\_\_.  
a. Debtors    b. Creditors    c. Shareholders
7. Pass Journal entries for the following transaction:
  - i.     Jan 3    Paid Mr. Santhosh, the manager Rs. 25,000 as salary
  - ii    Jan 5    The Proprietor, Mr. Ravi withdrew goods worth Rs. 10,000 for celebrating his son's birthday
8. Calculate the amount of tax paid from the following information:

31-3-2009	Provision for tax	Rs.13,000
31-3-2010	Provision for tax	Rs. 10,000

Tax provided during the year is Rs. 7,000
9. Gross profit is 20% on sales;    Cost of goods sold Rs. 16,00,000;    Calculate sales.
10. a. Cost of heavy advertisement for a new product is a \_\_\_\_\_ expenditure.  
b. Wages paid on the erection of a new machinery should be debited to \_\_\_\_\_

**SECTION B**

Answer any **five** questions:

(5 x 8 = 40)

11. Who are the users of accounting information and why do the users need accounting information?
12. Differentiate Receipts and Payments Account from Income and Expenditure Account.
13. What is Bank reconciliation Statement? Why is it prepared?
14. From the following Particulars, determine the maximum remuneration available to a full time director of a manufacturing company.  
The Profit & loss account of the company showed a net profit of Rs. 7,00,000 after taking into account the following items:

	Rs.
a. Depreciation (including special depreciation of Rs. 15,000)	75,000
b. Donation to political parties	20,000
c. Provision for income tax	1,00,000
d. Capital profit on sale of assets	7,500
e. Ex-gratia payment to a worker	5,000
f. Compensation paid to an injured workman	1,40,000

15. Record the following transactions in a Double Column cash book :

2010		Rs.
March		
1	Started business with cash	2,00,000
2	Paid for the purchase of furniture from M/s Raj & Co.	10,000
5	Paid insurance premium	700
6	Drew cash for personal use	250
7	Purchased goods from Naresh	10,000
9	Cash sales to Venkat	7,000
11	Purchased stationery	1,000
14	Mohan, a customer paid cash Rs. 950 in full settlement of his account Rs. 1,000	

16. From the following particulars, prepare Income and expenditure account:

Fees collected ,( including Rs. 80,000 on account of the previous year)	Rs. 2,80,000
Fees for the year outstanding	Rs. 5,000
Salary paid,( including Rs. 3,000 on account of the previous year)	Rs. 28,000
Salary outstanding at the end of the year	Rs. 1,000
Entertainment expenses	Rs. 3,000
Tournament expenses	Rs. 12,000
Meeting expenses	Rs. 18,000
Travelling expenses	Rs. 5,000
Purchase of books and periodicals, (including Rs. 19,000 for purchase of books)	Rs. 29,000
Postage	Rs. 1,500
Printing and stationery	Rs. 4,000
Donations received(to be capitalized)	Rs. 20,000

17. Prepare a trial balance of Mr. Milton for the month of March 2010

	Rs.		Rs.		Rs.
Capital	9,20,000	Cash at bank	1,45,340	Purchases	8,55,220
Creditors	1,88,520	Bills receivable	58,440	Bills payable	76,300
Sales	12,18,500	Carriage inward	2,910	Carriage outwards	18,000
Interest (Cr)	3,400	General expenses	60,850	Building	7,00,000
Insurance	7,830	Machinery	1,20,000	Furniture	16,400
Debtors	1,56,000	Opening stock	1,50,400	Cash in hand	9,880
Bad debts	6,130	Audit fees	4,000	Travelling expenses	3,250
Discount (Dr)	6,200	Sales returns	2,850	Investments	89,220

18. Record the following transactions in the proper subsidiary books of Flora & Co.,

Feb	2	Purchased from Hari , Trade discount @ 10%
		20 tins Ghee @ Rs. 100 per tin
		40 bags Sugar @ Rs. 50 per bag
	3	Sold to sunil, Trade discount @ 5%
		5 tins Ghee @ Rs.250 per tin
	4	Purchased furniture from Godrej Rs. 6,000
	5	Returned to Hari
		2 tins Ghee; 4 bags of sugar

- 7 Purchased for cash  
5 bags sugar @ Rs.50 per bag
- 8 Sunil returned 1 tin Ghee
- 9 Sold an old delivery van for Rs. 1,00,000
- 11 Sold to Ram, Trade discount @5%  
10 bags of sugar @Rs 65 per bag

### SECTION C

Answer any **two** question :

(2 x 20 = 40)

19. From the following Balance Sheets of XYZ Ltd., Prepare a Cash flow Statement

<b>Balance Sheets</b>					
Liabilities	2008	2009	Assets	2008	2009
	Rs.	Rs.		Rs.	Rs.
Equity Share capital	2,00,000	3,00,000	Goodwill	1,00,000	90,000
Preference share			Building	2,15,000	1,70,000
Capital	2,50,000	2,00,000	Plant	80,000	2,00,000
General reserve	40,000	70,000	Debtors	1,50,000	2,10,000
Profit & Loss Account	30,000	38,000	Stock	70,000	90,000
Proposed dividend	40,000	50,000	Prepaid		
Creditors	40,000	80,000	expenses	20,000	30,000
Bills Payable	20,000	10,000	Cash	15,000	---
Provision for tax	40,000	50,000	Bank	10,000	8,000
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	6,60,000	7,98,000		6,60,000	7,98,000

Additional information:

1. Depreciation of Rs. 20,000 and Rs. 25,000 has been charged on Buildings and Plant respectively in 2009
  2. Dividend paid during the year Rs. 20,000
  3. Income tax Rs. 35,000 was paid during the year 2009
20. With the help of the following ratios regarding Indus Ltd, draw the Balance Sheet of the company for the year 2009:
- |                                                        |              |
|--------------------------------------------------------|--------------|
| Current ratio                                          | 2.5          |
| Liquidity ratio                                        | 1.5          |
| Net working capital                                    | Rs. 3,00,000 |
| Stock turnover ratio<br>(cost of sales/ closing stock) | 6 times      |
| Gross profit ratio                                     | 20%          |
| Fixed assets turnover ratio<br>(on cost of sales)      | 2 times      |
| Debt collection period                                 | 2 months     |
| Fixed assets to shareholder's networth                 | 0.80         |
| Reserves and surplus to Capital                        | 0.50         |

21. The trial balance of Mr. Saravanan as on March 31, 2010:

Particulars	Debit Balances Rs.	Credit balances Rs.
Capital Account		5,00,000
Loan from Durai		2,00,000
Sales		72,00,000
Discount received		5,000
Sundry creditors		2,00,000
Purchases	70,08,000	
Salaries	42,000	
Carriage on purchases	4,000	
Carriage on sales	5,000	
Factory Lighting	3,000	
Insurance	4,000	
Buildings	2,70,000	
Furniture	60,000	
Sundry Debtors	80,000	
Cash on hand	2,500	
Cash at bank	15,000	
Stock (31 <sup>st</sup> March 2009)	6,11,500	
	81,05,000	81,05,000

Additional information:

- a. Stock on 31<sup>st</sup> March 2010 was Rs. 8,73,500
- b. Insurance has been prepaid to the extent of Rs. 400
- c. Bad debts written off Rs. 50
- d. Provide 4% for doubtful debts
- e. Depreciate on Buildings @5% and Furniture @ 10%
- f. Salary outstanding Rs. 6,000

Prepare Trading Account and Profit and loss Account for the year ended 31<sup>st</sup> March 2010 and a Balance Sheet as on that date.

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