LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.A., B.Sc., B.Com.** DEGREE EXAMINATION – **ECO. MATHS & COMM.**

FOURTH SEMESTER – **APRIL 2012**

# CO 4205 / 4201 - FIN. ACCOUNTS & FIN. STAT. ANALYSIS

Date : 19-04-2012 Dept. No. Max. : 100 Marks

Time : 1:00 - 4:00

**PART – A**

**(10 x2=20)**

**ANSWER ALL QUESTIONS**

1. What is book keeping?
2. Enlist any four users of accounting information.
3. What is nominal account?
4. Give the meaning of management accounting.
5. Write any two differences between Cash discount and trade discount.
6. What is non-trading concern?
7. Define Cash flow statement.
8. What is meant by liquid assets?
9. Prepare Subsidiary book from the following information:

Bought, 5 dozen Ink Pens from Camlin Ltd. @ Rs.20 each (Trade Discount=5%)

Sold, 3 dozen Ink Pens to Loyola Stationery Mart @ Rs.35 each (Trade Discount=20%)

Purchased, 3 dozen Pencils from Natraj Ltd. @ Rs.3 each

Sold, 10 Pencils to Anand @ Rs.4 each

1. Calculate Fixed assets turn over ratio:

Bank balance Rs.10000. Furniture Rs.80000, Sales Rs.153000, Sales Returns Rs.13000, Depreciation Rs.10000, Creditors Rs.5000

**Part – B**

**(5 x8=40)**

**Answer any FIVE questions**

1. Bring out the advantages of book keeping.
2. What are the basic concepts of accounting?
3. Distinguish between Receipts and Payments and income and expenditure.
4. How do you classify the following items into personal, Real and nominal accounts?
5. Loyola College
6. Salaries
7. Land & Buildings
8. Sales
9. Outstanding Wages
10. Rent
11. Mr. Arunachalam
12. Sundry Debtors
13. Pass journal entries in the books of Arumugham for the month of Jan. 2012

Jan. 1 Started business with Cash Rs.50000 and Land Rs.450000.

3 Bought goods from Michael on credit Rs.10000

5 Sold goods to Ahmed for Cash Rs.25000

9 Final settlement made to Michael Rs.9950

12 Paid Salaries Rs.18000 and Wages Rs.2000

18 Deposited cash into bank Rs.5000

25 Withdrew cash from bank for own use Rs.2000

29 Bought furniture from M/s. Woodpecker Ltd. for Cash Rs.28000

1. Record the following transactions in the analytical petty cash book of Mr.Antony.

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Rs.** |
| 2012 Mar.1 | Received from Head Office | 2000 |
| 3 | Paid for Office cleaning | 100 |
| 6 | Bought Postal Envelop | 100 |
| 7 | Paid Railway Fare | 350 |
| 9 | Bought Pen & Pencils | 65 |
| 10 | Refreshment to Office Staff | 120 |
| 12 | Revenue Stamps | 150 |
| 14 | Paid Taxi Hire | 200 |
| 17 | Coffee & Snacks | 50 |
| 19 | Office Cleaning | 150 |
| 23 | Scribbling pads | 320 |
| 28 | Paid bus fare to Peon | 30 |
| 30 | Telegram to H.O. | 15 |

1. You are required to prepare Bank reconciliation statement of Mr. Amar for Feb. 2012
2. Balance as per the Cash Book Rs.20000
3. Cheque issued to Madhu on Feb.5, but presented for payment in March Rs.3000
4. Our customer Mr. Sherwin has paid into our bank account Rs.20000
5. Cheque received from Arun Rs.6000 on Feb. 20, but was not deposited till date.
6. Demand Draft charges found in Pass Book Rs.50
7. LIC Premium paid by the banker as per our standing instruction Rs.5000
8. A wrong credit found in the Pass book Rs.500
9. Interest credited in the pass book Rs.25
10. Ascertain the operating profit before changes in working capital changes from the following information:

Net Profit before tax and extraordinary items Rs.200000

Dividend received on Long term investments in shares Rs.40000

Interest received on long term investment in debentures of other companies Rs.30000

Goodwill written off Rs.20000

Discount on issue of shares written off Rs.10000

Preliminary expenses written off Rs.25000

Depreciation charged on fixed assets Rs.65000

Profit on sale of equipment Rs.10000

Loss on sale of Long term investments Rs.8000

**Part – C**

**(2 x20=40)**

**Answer any TWO questions**

1. Prepare a three column cash of Mr. Selva for the month of March 2012.

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Rs.** |
| 2012 Mar.1 | Cash in hand | 150000 |
|  | Cash at Bank | 100000 |
| 3 | Bought goods from Kumar on credit | 40000 |
| 5 | Sold goods to Ganesh on credit | 25000 |
| 7 | Final settlement made to Kumar | 39500 |
| 10 | Bought Computer for cash and payment made by cheque | 35000 |
| 11 | Cash Sales made | 15000 |
| 13 | Final settlement received from Ganesh | 24750 |
| 15 | Paid into Bank | 5000 |
| 18 | Cash Purchases | 75000 |
| 20 | Paid Rent | 12000 |
| 22 | Withdrew from bank | 30000 |
| 25 | Received Commission by cheque and deposited immediately | 2000 |
| 27 | Withdrew cash from Bank for own use | 1500 |
| 29 | Our customer Mr.Jegan has paid into our bank account | 25000 |
| 30 | Deposited into bank all Cash in excess of | 10000 |

1. From the following details, you are required to prepare:

(a) Gross Profit Ratio (b) Net profit ratio (c) Stock Turn over ratio (d) Debtors turnover ratio (e) Current ratio

Sales Rs.300000, Cost of goods sold Rs.240000, Opening stock Rs.58000, Closing Stock Rs.62000, Debtors Rs.30000, Office expenses Rs.30000, Cash Rs.35000, Land Rs.900000, Bills Payable Rs.10000 and Creditors Rs.60000

1. Prepare Trading and Profit Loss Account and Balance Sheet of Mr. Balakrishnan from the given below trial balance as on 31-3-2012

|  |  |  |  |
| --- | --- | --- | --- |
| **S.No** | **Particulars** | **Debit (Rs.)** | **Credit (Rs.)** |
| 1 | Capital |  | 300000 |
| 2 | Buildings | 100000 |  |
| 3 | Stock (1-4-2011) | 100000 |  |
| 4 | Purchases | 400000 |  |
| 5 | Machinery | 200000 |  |
| 6 | Power | 10000 |  |
| 7 | Wages | 30000 |  |
| 8 | Insurance Premium | 4000 |  |
| 9 | Office Rent | 55000 |  |
| 10 | Salaries | 110000 |  |
| 11 | Printings Charges | 20000 |  |
| 12 | Bad Debts | 2000 |  |
| 13 | Commission Received |  | 3000 |
| 14 | Debtors | 51000 |  |
| 15 | Creditors |  | 25000 |
| 16 | Cash | 10000 |  |
| 17 | Provision for Bad and Doubtful debts |  | 4000 |
| 18 | Bank Loan |  | 125000 |
| 19 | Sales |  | 700000 |
| 20 | Advertisement | 18000 |  |
| 21 | Goodwill | 47000 |  |
|  |  | **1157000** | **1157000** |

**Adjustments:**

1. Closing Stock was Rs.150000
2. Salaries outstanding Rs.10000
3. Insurance Premium prepaid for 3 months
4. Write off further bad debts Rs.1000 and provide for bad and doubtful debts @2% p.a. on remaining debtors
5. Depreciate Machinery @ 10% p.a.

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