



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Sc. & B.A. DEGREE EXAMINATION – MATHEMATICS & ECONOMICS

FOURTH SEMESTER – APRIL 2017

CO 4205- FIN. ACCOUNTS & FIN. STAT. ANALYSIS

Date: 06-05-2017
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

SECTION A

Answer all the questions:

(10 x 2 = 20)

1. What is an account?
2. Give any two advantages of Subsidiary books.
3. What are Subsidiary Books?
4. What is Bank Reconciliation Statement?
5. What is Imprest System of petty cash?
6. Prepare Trial Balance:

Capital Rs.2,50,000;

Furniture Rs.40,000;

Computer Rs.50,000;

Sales Rs.1,00,000;

Purchases Rs.20,000;

Land Rs. 2,00,000;

Salary Rs.40,000.

7. Prepare Single column cash book:

	Rs.
2010 April 1 Cash in hand	20,000
7 Interest received	4,000
8 Paid Rent	5,000
15 Cash Sales	10,000
20 Purchased goods for cash	12,000
30 Paid Robin	1,500

8. Fill in the blanks:

a) Balance Sheet shows the _____ of the business.

b) A Bank Reconciliation Statement is prepared by the _____.

9. Assets = Liabilities + Capital

A) 20,000 = 15,000 + ?

B) ? = 25,000 + 15,000

10. A Company purchased a plant for Rs.1, 50,000 and it immediately spent Rs.5, 000 on its installation. The useful life of the plant is 10 years and the residual value is Rs.15, 000. Find out the rate of depreciation.

SECTION B

Answer any Four of the following:

(4 x 10 = 40)

11. Write short notes on (2 marks each)
 - a) Petty Cashier, b) Current Assets, c) Direct Expense, d) Invoice, & e) Real A/c
12. Explain the Advantages of Cash flow Statement?
13. Explain: a) Transaction, b) Debtors, c) Tangible Assets, d) Current Liabilities, & e) Stock
14. The following errors were found in the books of Prabhu. Give the necessary entries to rectify it.
 - a) Salary of Rs.10,000 paid to Murali has been debited to his personal account.
 - b) Repairs made were debited to building account for Rs.500.
 - c) Rs.2,000 received from Shanthy & Co. has been wrongly entered as from Shakila & Co.
 - d) An amount of Rs.5,000 withdrawn by the proprietor for his personal use has been debited to trade expenses account.
15. XYZ Ltd bought a Plant for Rs.1,00,000 on 1.1.2003. On 30.6.2005, the plant was sold for Rs.75,000. The company charges depreciation at 10% on written down value method. Accounts are closed on 31st December. Prepare Plant Account.
16. Enter the following transactions in the Purchase Book of Mrs. Amalie.
 - 2010 April 3. Purchased from JJ Supplies Co.
 - 24 Radios at Rs.200 each
 - 40 Toasters at Rs.100 each
 - Less: Trade Discount 20%.
 6. Purchased from KK Ltd.
 - 12 Razors at Rs.120 each
 - 105 Torches at Rs.200 each.
 7. Purchased from VK Traders.
 - 10 T.V at Rs.11,000 each
 - 4 Black & White T.V at Rs.5,000 each.
 19. Cash Purchases from Sago.
 - 10 Radios at Rs.200 each
 30. oasters at Rs.150 each.
 30. Purchased an old computer for Rs.8,000.
17. Prepare Bank Reconciliation Statement of Eva & Co, as on 31st December 2003.
 1. Cheques deposited but not yet collected by the bank Rs.1,500.
 2. Cheques issued to Mr.Ramahas not yet been presented for payment Rs.2,500.
 3. Bank charges debited in the pass book Rs.200
 4. Interest allowed by the bank Rs.100.
 5. Insurance premium directly paid by the bank as per standing instructions Rs.500.
 6. Balance as per Cash Book Rs.200.
18. Prepare the analytical petty cash book of Mrs.Malar.
 - 2003 March 1. Petty Cash in hand Rs.350.
 1. Received cash to make up the imprest Rs.650.
 3. Paid for stationery Rs.155.
 5. Paid office expenses Rs.78.
 8. Bought stamps Rs.50.
 13. Paid for railway fare Rs.256.
 16. Paid to Dharani Rs.100.
 20. Paid for carriage Rs.45.
 25. Paid for printing charges Rs. 175.
 27. Paid for telegram Rs.65.

SECTION C

Answer any TWO of the following:

(2 x 20 =40)

19. Enter the following in Joey's Three columns Cash Book.

2010 May		Rs.
1	Cash in Hand Cash at Bank	2,400 16,215
4	Sold goods for cash Rs.6,500 and paid half the proceeds into bank	
7	Purchased Machinery by cheque	6,800
10	Cash Purchases	2,800
11	Received a cheque from Padma Allowed him Discount	865 35
16	Withdrew cash from bank	3,100
17	Padma's cheque was sent to bank for collection	
19	Muthu paid directly into our bank account	9,250
24	Paid to Sundar by cheque Discount received	3,780 20
27	Paid advertisement charges	800
29	Paid Rs.940 to Sankar by cheque towards settlement of his Account Rs960.	
30	Paid Travelling expenses	30
31	Paid into Bank	2,200

20. From the following trial balance of Joy & Co., prepare Trading, Profit & Loss account and Balance Sheet for the year ended 31-12-2016.

Particulars	Debit (Rs.)	Credit (Rs.)
Sundry Debtors	1,12,000	
Rent, Rates & Taxes	6,030	
Wages	8,320	
Sales Returns	5,400	
Purchases	1,50,000	
Opening stock	60,000	
Drawings	22,000	
Direct Expenses	1,350	
Salaries	11,200	
Discount Allowed	1,440	
Bad Debts	800	
Furniture & Fittings	10,000	
Cash in Hand	2,060	
Bills Receivable	12,000	
Capital		70,000
Sales		2,50,000

Sundry Creditors		60,000
Bills Payable		20,000
Commission		2,600
	4,02,600	4,02,600

Adjustments:

1. Stock as on 31-12-2016 Rs.1,00,000.
2. Provide for depreciation on Furniture & Fittings at 10%.
3. Outstanding rent was Rs.500.
4. Write off Rs.800 as further bad debts.
5. Prepaid Salaries Rs.500.

21. The following figures relate to Madhumita Traders Ltd for the year ended 31.12.2012.

Trading & Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening Stock	75,000	Bv Sales	5,20,000
To Purchases	3,25,000	Less Returns	20,000
To Gross Profit	2,00,000	Bv Closing Stock	1,00,000
	6,00,000		6,00,000
To Operating Expenses:		Bv Gross Profit B/d	2,00,000
Administration Expenses	40,000	Bv Non-Operating Income:	
Selling Expenses	25,000	Dividend	9,000
To Non-Operating Expenses:		Profit on sale of shares	11,000
Loss on sale of assets	5,000		
To Net Profit	1,50,000		
	2,20,000		2,20,000

BALANCE SHEET

Liabilities	Rs.	Assets	Rs.
Issued Capital:	2,00,000	Land and Building	1,50,000
Reserves	90,000	Plant and Machinery	80,000
Debentures	60,000	Stock	1,60,000
Current Liabilities	1,00,000	Debtors	80,000
Bank Overdraft	50,000	Cash and Bank	30,000
	5,00,000		5,00,000

Calculate:

- a) Current Ratio,
- b) Liquid Ratio,
- c) Gross Profit Ratio,
- d) Net Profit Ratio, and
- e) Operating Profit Ratio.

22. Differentiate between Receipts and Payment Account, and Income and Expenditure Account.
