

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – NOVEMBER 2015

CO 1500 - FINANCIAL ACCOUNTING

Date : 10/09/2015

Dept. No.

Max. : 100 Marks

Time : 01:00-04:00

SECTION – A

(10x2=20 MARKS)

ANSWER **ALL** QUESTIONS:

1. What is Balance Sheet?
2. Define Depreciation.
3. What is Self balancing System?
4. The Figure of Credit Sales can be located from _____ account.
5. The balance of branch expenses account is transferred to _____ account.
6. Departmental Accounts are maintained by _____
7. Calculate cash price from the following details:
Down payment Rs. 10,000; 4 annual instalments at the end of each year Rs.10,000 and Rate of Interest @ 5% P.a.
8. Calculate Minimum Rent from the following details Royalty is Re.0.50 per ton of Coal raised. Dead Rent is Rs. 12,000 Per annum. There was a strike for 3 months during the Year.
9. If Property worth Rs. 1,00,000 is insured for Rs. 80,000 and Property worth Rs.60,000 is destroyed by fire, Calculate the liability of the insurer.
10. Calculate the sum to be insured from the following information:
Net Profit (including non- operating income of Rs. 5000)Rs.45,800, Standing charges Rs. 49,200.

SECTION – B

(5x8=40 MARKS)

ANSWER ANY **FIVE** QUESTIONS:

11. Explain the procedures for preparing Trading and Profit & Loss accounts.
12. Give format of Creditors' ledger Adjustment Account in the General ledger.
13. What are the bases for the apportionment of Common expenses to different departments of an organization?
14. An Asset is purchased for Rs. 25,000. Depreciation is to be provided at 10 % annually according to the Straight line Method. It was sold for Rs.10,000 at the end of third year. Prepare Machinery Account for 3 Year.

15. A part of a Trial Balance as on 31st March 2006 as follows.

	Dr (Rs.)	Cr(Rs.)
Sundry Debtors	50,000	-
Bad debts	4,000	-
Provision for debts	-	4,000

Additional Information:

- 1) Write off further bad debts Rs.1,000.
 - 2) Provide for debts at 5% on debtors.
- Show the treatment in final Account.

16. X Ltd. Opened a branch on 1st Jan. 2007 at Mumbai.

The following information is supplied to you to prepare the Branch Account.

	Rs.
Goods sent to branch	50,000
Sales	
Cash	Rs. 20,000
Credit	Rs. 36,000
Cash received from Debtors	32,000
Discount Allowed	600
Cash sent to branch for expenses	7,000
Stock on 31 st December 2007.	8,000

17. Arul Purchased Machinery under the hire-purchase system from Mr. Balu.

The Cash price of the Machinery was Rs. 15,000. The payment for the purchase is to be made as follows: On signing the agreement Rs.3000;
At the end of first year Rs.5,000, At the end of Second year Rs.5,000, At the end of Third year Rs,5,000.

Prepare Ledger Accounts in the Books of Arul.

18. Calculate the turn over lost during the claim period from the following particulars:

Indemnity Period: 6 months

Turnover from 1.3.2002 to 31.7.2002 – Rs. 8,00,000.

Dislocation Period from 1.3.2002 to 31.7.2002;

Turnover from 1.3.2001 to 31.7.2001- Rs.20,00,000.

Special Circumstances clause in the policy provided for the increase of turnover by 10%.

SECTION - C

ANSWER ANY **TWO** OF THE FOLLOWING:

(2x20=40 MARKS)

19. Prepare Trading and Profit & loss a/c and Balance sheet from the following details:

	As on 1.1.2007 Rs.	As on 31.12.2007 Rs.
Stock	25,000	12,500
Debtors	62,500	87,500
Furniture	2,500	2,500
Cash	6,250	10,000
Creditors	37,500	43,750

Bad debts Rs.1,250; Discount received Rs.3,750; Discount allowed Rs.2,500, Sundry expenses Rs.7,500, Payment to creditors Rs.1,12,500; Received from Debtors Rs. 1,33,750; Drawings Rs. 10,000; Sales returns Rs.3,750, Depreciation on Furniture @ 5% and Purchase return Rs.1,250.

20. The Mumbai head office sent goods to the Chennai branch @ 25% Profit over Costs. From the following details prepare necessary ledger accounts in the books of head office: Under Stock and Debtor system.

	Rs.
Opening Stock at branch (invoice price)	20,000
Goods sent to Branch at invoice price	90,000
Loss of goods in transit invoice price	6,000
Pilferage at branch at Cost price at branch	1,200
Closing Stock at branch at its cost	16,000
Sales at branch	1,05,000
Salaries & wages at branch	6,000
Other expenses at branch	3,000

Chennai branch received Rs.4,000/- from insurance company in settlement of the claim for the loss of goods in transit.

21. Maruthi movers purchased from Delpin Transport Corpn. Three lorries Costing Rs. 5,00,000 each on the hire-purchase system on 1.1.2007. Payment was to be made Rs. 3,00,000 down and the remainder in 3 equal installments payable on 31.12.2007, 31.12.2008 and 31.12.2009 together with interest @ 9% p.a. Maruthi movers write off depreciation @ 20% on diminship balance. It paid the installments due at the end of first year i.e., on 31.12.2007, but could not pay the next on 31.12.2008. The Delpin Transport Corpn., agreed to leave one lorry with the buyer on 1.1.2009 adjusting the value of the other two lorries against the amount due on 1.1.2009. The lorries were Valued on the basis of 30% depreciation annually.

Show necessary accounts in the books of Maruthi movers for three years starting from 1.1.2007.

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