LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – **COMMERCE**

FIRST SEMESTER – **NOVEMBER 2016**

CO 1500 – FINANCIAL ACCOUNTING

Date: 05-11-2016 Dept. No. Max. : 100 Marks

Time: 01:00-04:00

Section-A

Answer all the questions: - (10 x 2 = 20marks)

1. What is Depreciation?
2. State the purpose of preparing self-balancing ledgers.
3. Define single entry.
4. State any three importance of departmental accounts.
5. Cost of fixed assets. Rs.6,800 ; expense on purchase of fixed assets Rs. 200; Scrap value Rs.800; estimated useful life 10 years. Calculate the amount of depreciation.
6. From the following data calculate capital at the beginning of the year:

Capital at the end	Rs.50,000
Drawings	Rs.8,000
Capital introduced	Rs.12,000

   Profit made during the year Rs.18,000
7. What is an average clause?
8. Cash price of the Machinery Rs.20,000; Down payment Rs.5,000 four annual instalments of Rs.5,000 each.

   Calculate interest for each of the four years.
9. Write note on Social Responsibility Accounting.
10. How will you apportion the following expenses among various departments?
    a. Rent
    b. Lighting
    c. Selling expenses
    d. Carriage Inward

Section-B

Answer any FOUR questions (4 x 10 = 40marks)

11. Distinguish between Branch accounts and departmental accounts.
12. On 1st January 2007, Machinery was purchased by Mukesh for Rs.50, 000. On 1st July 2008 additions were made to the extent of Rs.10, 000. On 1st April 2009, further additions were made to the extent of Rs.6, 400. On 30th June 2010 machinery, the

original value of which was Rs.8,000 on 1st January 2007, was sold for Rs.6,000, Mukesh closes his books on 31st December each year.

Show the machinery account for the years from 2007 to 2010 in the books of Mukesh if depreciation is charged at 10% at Diminishing balance method.

13. From the following figures, you are required to prepare
    (i) Provision for doubtful debts
    (ii) Bad debts accounts and
    (iii) Profit and loss account

April 1, 2014	provision for bad debts	Rs.2,500
March 31, 2015	Bad debts	Rs.1,870
	Debtors	Rs.20,000

Make provision for bad debts @ 5% on debtors.

14. Mr.Prakash keeps his books by single entry system. His position on 1.4.2013 and 31.3.2014 as follows:

	1.4.2013	31.3.2014
Cash	500	6,000
Bank balance	10,000	15,000
Stock	7,000	10,000
Sundry debtors	30,000	40,000
Furniture	6,000	6,000
Sundry creditors	6,000	12,000

He introduced additional capital of Rs.8,000 during the financial year. He withdrew Rs.14,000 for domestic purpose. Find out the profit for the year ended 31.3.2014.

15. The Kanpur shoe company opened a branch at Delhi on 1st April 2009.From the following figures prepare branch account.

Goods sent to branch	2,15,000
Cash sent to branch:	
Rent	31,800
Salaries	33,000
Other expenses	11,200
Cash received from branch	3,24,000
Closing stock	32,300
Closing petty cash in hand	1,040

16. A trader sells goods of small value on Hire Purchase system. Prepare Hire Purchase Trading account assuming that the seller charges 20% on cost price.

2008	Stock out on hire purchase	Rs.4, 500
Jan.1	Installment overdue	Rs.400
Dec. 31	Stock on hire at hire purchase price	Rs.4, 800
	Installments overdue	Rs.700
	Cash received during the year	Rs.6, 840

17. Write note on a. Human resource Accounting and
    b. Environmental Accounting

Section-C

Answer any TWO questions (2 x 20 = 40marks)

18. From the following balances taken from Sriram & Co. on 31st December 2010. Prepare the final statement.

Particulars	Rs.	Particulars	Rs.
Capital	3,00,000	Purchase returns	8,460
Purchases	2,40,000	Bad debts	4,200
Sales	4,21,110	Bad debts provision	9,720
Drawings	52,800	Insurance	3,900
Opening stock	34,380	Discount received	570
Rent (Cr)	6,300	Sales returns	12,720
Wages	18,840	Buildings	75,000
Carriage outwards	54,535	Sundry debtors	1,86,210
Carriage inwards	6,930	Furniture & fittings	10,500
Postage	4,440	Salary	29,610
Cash in hand	47,550	Administrative expenses	4,020
Additions to buildings	21,000	Sundry creditors	56,760

Adjustments:

i. Stock on 31st December 2010 is valued at Rs.42,870
ii. Depreciate the existing building @2.5% and additions building @2% and furniture@10%
iii. Write off bad debts from the books at Rs.1,710
iv. Provision for bad debts on debtors @ 5%
v. Salary outstanding was Rs.1,710
vi. Rent to be received during the year 2010 is Rs.400
vii. Unexpired insurance Rs.720
viii. Interest on capital @ 5 %.

19. A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the HO. From the following particulars, prepare the necessary accounts on the stock and debtors system.

Particulars	Rs.	Particulars	Rs.
Stock on 1.1.2009 (invoice price)	27,900	Goods returned by debtors	3,600
		Goods returned to HO	4,500
Debtors on 1.1.2009	20,400	Shortage of stock	1,350
Goods invoiced to branch (invoice)	1,53,000	Discount allowed	600
		Expenses at the branch	16,200
Cash sales	75,000	Bad debts	600
Credit sales	93,000		
Cash collected from debtors	91,200		

20. Cavin Company purchases a motor car from Madurai Motor company on the installment system on January 1, 2011, paying cash Rs.10,000 and agreeing to pay three further installment of Rs.10,000 each on December 31, each year. The cash price of car is Rs.37, 250 and the Madurai motor company charges interest at 5% per annum. Cavin company writes off 10% per annum depreciation on the written down value system.

    Prepare necessary Ledger accounts in the books of Cavin Company and Madurai motor.

21. The following balances were extracted from the books of Raju Bros. You re required to prepare departmental Trading account and Profit and Loss account for the year ended 31th December 2015 after adjusting the unrealized departmental profit if any

Particulars	Dept X Rs.	Dept Y Rs.
Opening stock	50,000	40,000
Purchases	6,50,000	9,10,000
Sales	10,00,000	15,00,000

General expenses incurred for the both departments were Rs.1,25,000 and you are supplied with the following information.

(i) Closing stock of department X Rs.1,00,000 including goods from department Y for Rs.20,000 at cost to department X.

(ii) Closing stock of department Y Rs.2,00,000 including goods from department X for Rs.30,000 at cost to department Y.

(iii) Opening stock of department X and department Y included goods of the value Rs.10,000 and Rs.15,000 taken from department Y and department X respectively at cost to transferred departments.

(iv) The gross profit is uniform year to year.

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