

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – NOVEMBER 2018

16/17/18UCO1MC01– FINANCIAL ACCOUNTING

Date: 22-10-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

SECTION – A

10 x 2 = 20 Marks

1. From the information given below prepare trading account.

Rs.

Opening stock	1,00,000
Purchases	1,50,000
Purchase returns	25,000
Direct expenses	10,000
Carriage inwards	5,000
Sales	4,00,000
Closing stock	50,000

2. Calculate sales:

Cost of good sold Rs.2,70,000

Rate of profit 25% on sales.

3. A company purchased a plant for Rs.50000.the useful life of the plant is 10 years and the residual value is Rs.10000.find out the rate of depreciation under the straight line method.

4. From the following particulars, calculate closing branch debtors balance:

Branch debtors (1-1-98)	Rs.6,300
Credit sales	Rs.39,000
Cash received from debtors	Rs.41,200

5. From the following calculate the amount of claim in respect of a fire occurred in a business on 31-12-99:

Rs.

Sales 1-4-99 – 31-12-99	12,00,000
Purchases 1-4-99 – 31-12-99	8,00,000
Stock on 31-3-99	2,00,000
Gross profit – 25% on sales.	

6. State any two Advantages of departmental accounting ?

7. What is sub - lease?

8. Write short notes on the following:

(a) Down payment (b) Hire vendor.

9. State any two limitations of single entry system?

10. Write short notes on the following :

(a) Average clause (b) Stock salvaged.

SECTION – B**4 x 10 = 40 Marks**

11. From the following particulars relating to Hyderabad branch for the year ended 31.12.90, prepare branch a/c in the head office books:

Particulars	Rs.	Rs.
Stock at the branch on 1.1.90		15,000
Debtors at the branch on 1.1.90		30,000
Petty cash at the branch on 1.1.90		300
Goods sent to branch during 1990		2,52,000
Cash sales 1990		60,000
Received from debtors 1990		2,10,000
Credit sales during 1990		2,28,000
Cheques sent to branch during 1990:		
For salaries	9,000	
For rent & rates	1,500	
For petty cash	1,100	11,600
Stock at the branch on 31.12.90		25,000
Petty cash 31.12.90		200
Goods returned by the branch		2,000
Debtors on 31.12.90		48,000

12. A machine purchased on 1st July 1983 at a cost of Rs.14000 and Rs.1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs.9,500 on 31st march 1986. show the machinery account for all the years.

13. From the following particulars, prepare the departmental trading and profit and loss a/c for the year ending 31-12-97.

Particulars	Dept. X Rs.	Dept. Y Rs.
Stock (1-1-97)	9,000	8,400
Sales	42,000	36,000
Purchases	27,000	21,600
Direct expenses	5,490	8,520
Postage	360	360
Stock (31-12-97)	10,800	4,800

Indirect expenses for the entire business was Rs.3900 which are to be divided in the proportion of sales of the two departments.

14. The premises of a trading firm caught fire on 22.10.85 and the stock was damaged. The firm had made up accounts to 31st December .

Rs.

Stock on 31.12.1984	13,272
Stock on 31.12.1983	9,614
Purchase during 1984	45,258
Purchase from 1.1.85 to the date of fire	34,827
Sales during 1984	52,000
Sales from 1.1.85 to the date fire	49,170

Additional information:

(a) In April 1985 goods which cost Rs.1000 were given away for advertising purposes, no entries being made in the books.

(b) During 1985,a clerk had misappropriated unrecorded cash sales. It is estimated that the defalcation amounted to Rs.400.

(c) The rate of gross profit is constant.

From the above information, make an estimate of the stock on the date of fire.

15. Mohan ,a retail merchant commenced business with a capital of Rs.12,000 on 1.1.94.subsequently on 1.5.94 he invested further capital of Rs.5,000.during the year, he has withdrawn Rs.2,000 for his personal use. On 31.12.94,his assets and liabilities were as follows:

Rs.

Cash at bank	3,000
Debtors	4,000
Stock	16,000
Furniture	2,000
Creditors	5,000

Calculate the profit (or) loss made during the year 1994.

16. Distinguish between hire purchase and installmentsystem ?

17. What are the causes of depreciation ?

SECTION –C 2 x 20 = 40 Marks

18. Prepare trading ,profit& loss a/c and balance sheet from the following trial balance of Mr.M.Madan.

Debit balances	Rs.	Credit balances	Rs.
Sundry debtors	92,000	Madan's capital	70,000
Plant & machinery	20,000	Purchase returns	2600
Interest	430	Sales	2,50,000
Rent,Rates,Taxes& insurance	5,600	Sundry creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
wages	7,000		
Sales returns	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Madan's drawings	22,000		
Trade expenses	1,350		

salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture & fixtures	10,000		
Cash in hand	2,060		
	4,02,600		4,02,600

Adjustments:

- (i) Stock on hand on 31-12-96 Rs.90,000.
- (ii) Provide depreciation on premises at 2.5% ; plant & machinery at 7.5% and furniture & fixtures at 10%.
- (iii) Write off Rs.800 as further bad debts.
- (iv) Provide for doubtful debts at 5% on sundry debtors.
- (v) Outstanding rent was Rs.500 and outstanding wages Rs.400.
- (vi) Prepaid insurance Rs.300 and prepaid salaries Rs.700.

19. A company acquired lease of a mine at a minimum rent of Rs.10,000 p.a. The royalty was fixed at Re.0.50 per tonne. Shortworkings could be recouped within three years following the year in which the shortworkings occur. If there is stoppage of production due to strike in any year, the minimum rent would be proportionately reduced in regard to the length of the stoppage. The output (in tonnes) of the mine was as follows –

1978	8,000	1981	26,000
1979	12,500	1982	17,000 (strike)
1980	21,500	1983	30,000

During 1982, there was strike lasting for 3 months. Show the necessary ledger accounts for each of the years in the books of the company.

20. On 1.1.90 National transport company purchased from metro motors five trucks costing Rs.40,000 each on the hire purchase system. It was agreed that Rs.50,000 should be paid immediately and the balance in three instalments of Rs.60,000 each at the end of each year. The metro motors charges interest @10% p.a. The buyer depreciates trucks at 20% p.a. on the diminishing balance method. The buyer paid cash down and two instalments but failed to pay the last instalment. consequently, the metro motors repossessed three trucks leaving two trucks with the buyer and adjusting the value of 3 trucks against the amount due. The trucks repossessed were valued on the basis of 30% depreciation p.a. on the written down value. The trucks repossessed were sold by metro motors for Rs.60,000 after necessary repairs amounting to Rs.10,000. Open the necessary ledger accounts in the books of both the parties.

21. The following information is given by Balan, a merchant, for the year ended 31-12-1996.

Sales		Purchases	
- Dept I	70,000	- Dept I	43,000
- Dept II	30,000	- Dept II	25,000
Stock		Salary	5,400
(1.1.96)	3,400		
- Dept I	1,100		
- Dept II			
Debtors	23,000	Commission	2,200
Office	1,080	Advertisement	5,800

furniture			
Rent	1,800	Bank charges	120
Insurance	2,400	Stationery	2,700
		Wages	10,000

Provide depreciation at 10% on furniture. Bad debts Rs.300. Create 10% provision for discount on debtors. Stock position on 31-12-1996; Dept I Rs.4,000 and Dept II Rs.1,680. From the above information, prepare the Departmental Trading and Profit and Loss account. Expenses are allocated on the basis of sales.
