



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – NOVEMBER 2018

CO 1502– FINANCIAL ACCOUNTING

Date: 22-10-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

ANSWER ALL THE QUESTIONS:

(10 x 2 = 20 marks)

1. Who is a sole trader?
2. List out any two causes of Depreciation.
3. Calculate the capital at the beginning of the year.
Rs.
Capital at the end of the year 35,000
Drawings during the year 5,000
Capital introduced during the year 2,500
Profit during the year 10,000
4. What is single entry?
5. What do you understand by debtor system?
6. Bring out the two objectives of branch accounts.
7. Who is a Debtor?
8. What is Default under HP system?
9. What is Human Resource Accounting?
10. Write short notes on GAAP.

PART – B

ANSWER ANY FOUR QUESTIONS:

(4 x 10 = 40 marks)

11. Briefly explain the salient features of single entry system.
12. Explain the advantages of Human Resource Accounting.
13. A machine purchased on 1st July 1983 at a cost of Rs.14,000 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.
14. Prakash keeps his books by the single entry method. His position on 31.12.1987 and 31.12.1988 was as follows:

	1987 Rs.	1988 Rs.
Cash in hand	200	300
Cash at bank	3,000	2,000
Stock in trade	20,000	19,000
Sundry debtors	8,500	14,000
Furniture	1,800	1,500
Plant	15,000	27,000
Sundry creditors	22,000	29,000

During the year Prakash introduced Rs. 5,000 as further capital and withdrew Rs. 750 per month. From the above, prepare a statement showing the profit or loss made by him for the year ended 31.12.1988.

15. The following purchases were made by a business house having three departments. Dept A – 1,000 units; Dept B – 2,000 units; Dept C – 2,400 units, at a total cost of Rs.1,00,000.

Stock on 1st January were – Dept A – 120 units; Dept B – 80 units; Dept C – 152 units

Sales were - Dept A – 1,020 units at Rs.20 each; Dept B – 1,920 units at Rs.22.50 each; Dept C – 2,496 units at 25 each.

The rate of gross profit is same in each case. Prepare Departmental Trading account.

16. Rohith Ltd opened a branch at Delhi in 2015. From the following prepare Delhi branch account for the year 2015.

	Rs.
Goods sent to branch	15,000
Cash sent to branch for expenses	6,000
Cash received from the branch	24,000
Stock on 31.12.2015	2,300
Petty cash in hand	40

17. From the particulars, prepare a Debtor Ledger Adjustment account and Purchase Ledger Adjustment account in the General Ledger for the year ended 31.12.1989.

Purchase Ledger (Cr)	2,00,000	Purchase returns	1,00,000
Purchase Ledger (Dr)	22,700	Sales returns	80,000
Sales Ledger (Cr)	2,400	B/R received	3,00,000
Sales Ledger (Dr)	4,21,000	B/P accepted	2,00,000
Credit purchases	20,00,000	Bad debts written off	10,000
Cash purchases	2,00,000	Provision for bad debts	10,000
Credit sales	18,00,000	B/R dishonoured	40,000
Cash sales	7,00,000	Cash received from debtors	12,00,000
Closing balances -		Cash paid to creditors	16,00,000
Purchase Ledger (Dr)	17,000		
Sales Ledger (Cr)	9,000		

PART – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40 marks)

18. Explain the following items in detail –

- (a) IFRS
- (b) Inflation Accounting
- (c) Social Responsibility Accounting
- (d) Human Resource Accounting

19. Prepare Trading, Profit and Loss account and Balance Sheet from the following Trial Balance of Mr. M.Madan.

Debit Balance	Rs.	Credit Balance	Rs.
Sundry debtors	92,000	Madan's Capital	70,000
Plant and Machinery	20,000	Purchase Returns	2,600
Interest	430	Sales	2,50,000
Rent, rates, tax and 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 and Machinery at 7.5% and Furniture and 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.

20. Knight purchased a truck for Rs.1,60,000 from Waugh on 1.1.1993 payment to be made Rs.40,000 down and Rs.46,000 at the end of first year, Rs.44,000 at the end of second year and Rs.42,000 at the end of third year. Interest was charged at 5%. Knight depreciates the truck at 10% per annum on written down value method.

Knight, after having paid down payment and first instalment at the end of the first year, could not pay the second instalment. The seller took possession of the truck, and after spending Rs.4,000 on repairs of the asset, sold it away for Rs.91,500. Prepare ledger accounts in the books of both the parties.

21. Arun Agencies opened a branch in Vellore on 1st January 1990. Goods were invoiced at selling price which was at cost plus 25%. From the following particulars relating to the year 1990, you are required to prepare different accounts under, the Stock and Debtors system.

Goods sent to branch	Rs.30,000
Sales –	
Cash	10,000
Credit	14,000
Goods returned by customers	300
Cash received from customers	8,000
Discount allowed	100
Cash remitted to branch for	
Rent and rates	150
Salaries	600
Sundry expenses	100
Defective goods written off	100
Goods returned by branch	1,200
Stock at the end	5,000
