

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



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

**FIRST SEMESTER – APRIL 2023**

**UCO 1501 – FINANCIAL ACCOUNTING**

Date: 09-05-2023

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

**SECTION A**

**ANSWER ALL THE QUESTIONS**

**(10X2=20 Marks)**

1. What is a Balance Sheet?
2. What is Net profit?
3. What is Hire purchase price?
4. Explain the term Depreciation.
5. Who is a Hire Vendor?
6. What is Branch Accounting?
7. What is double entry system of Book keeping?
8. Journalise the following:
  - i.) Cash deposited into Bank Rs.2,00,000
  - ii.) Purchased goods for Rs.40,000
9. Calculate Purchases from the given information  
Cost of Goods sold – Rs.10,00,000  
Opening Stock – Rs.40,000  
Closing Stock – Rs. 60,000
10. Mr.Flamin purchased machinery under Hire purchase. The cash price of the machinery was Rs.40,000. Mr.Ram has to pay down payment Rs.10,000 and next three instalments Rs.12,000 each. Calculate the total interest.

**SECTION B**

**ANSWER ANY FOUR QUESTIONS**

**(4X10=40 Marks)**

11. What do you understand by Departmental Accounting? What is the need to prepare such accounts?
12. Explain the Partnership deed in detail.
13. What are the different types of Branches available in Branch accounting?

14. From the following particulars relating to Hyderabad branch for the year ended 31/12/2020. Prepare Branch A/C in the Head office books.

Particulars	Rs.	Rs.
Stock at the Branch on 01/01/2020		30,000
Debtors at the Branch on 01/01/2020		60,000
Petty cash at the Branch on 01/01/2020		600
Goods sent to Branch during 2020		5,04,000
Cash sales 2020		1,20,000
Received from Debtors 2020		4,20,000
Credit sales during 2020		4,56,000
Cheques sent to branch during 2020:		
Salaries	18,000	
Rent and Rates	3,000	
Petty cash	2,200	23,200
Stock at the branch on 31/12/2020		50,000
Petty cash 31/12/2020		400
Goods returned by the branch		4,000
Debtors on 31/12/2020		96,000

15. A Company has 2 departments A and B. A department supplies the goods to B department. From the following prepare Departmental Trading Account.

	Dept A (Rs.)	Dept B (Rs.)
Opening Stock	30,000	-
Purchases	2,10,000	-
Transfer to B	50,000	50,000
Sales	2,00,000	60,000
Closing stock	40,000	10,000

16. From the following particulars relating to the Ramakrishna Mission Charitable Hospital, Prepare Income and Expenditure Account for the year 31<sup>st</sup> December, 2018 and Balance sheet as on that date:

**RECEIPTS AND PAYMENTS ACCOUNT**  
For the year ended 31<sup>st</sup> December, 2018

Receipts	Rs	Payments	Rs
To Cash in Hand on 1 <sup>st</sup> Jan 2018	7,130	By Medicines	30,590
To Subscriptions	47,996	By Doctors Honorarium	9,000
To Donations	14,500	By Salaries	27,500
To Interest on investment @ 7% for full year	7,000	By Petty expenses	461
To Proceeds from Charity show	10,450	By Equipment	15,000
		By Expenses on Charity show	750
		By Cash in hand on 31 <sup>st</sup> Dec, 2018	3,775
	87,076		87,076

**Additional Information:**

	On 1 <sup>st</sup> Jan 2018 Rs.	On 31 <sup>st</sup> Dec.2018 Rs.
Subscription Due	240	280
Subscriptions received in advance	64	100
Stock of Medicines	8,810	9,740
Estimated value of Equipment	21,200	31,600
Building (Cost less Depreciation)	40,000	38,000
Creditors for Medicines	10,000	8,000

17. A and B are partners in a business sharing profits in the ratio of 5:3. They decide to admit C into the firm giving him 1/6<sup>th</sup> share. Calculate the new profit sharing ratio and sacrificing ratio of the partners.

## SECTION C

**ANSWER ANY TWO QUESTIONS**

**(2x20=40 Marks)**

18. Explain the importance of preparing Final accounts for a Sole Trader.
19. Differentiate between Hire purchase system and Instalment purchase system in detail
20. From the following Trial Balance of Mr. Tony, prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2020, and Balance sheet as on that date after taking into account the adjustments.

Trial Balance as on 31<sup>st</sup> March, 2020

	Rs.		Rs.
Tony's Drawings	4,500	Joseph's Capital	24,000
Purchases	20,000	Sales	30,500
Returns Inwards	1,500	Discounts	1,900
Stock (01/04/2019)	8,000	Sundry Creditors	10,000
Salary	4,200	Bills payable	2,500
Wages	1,200		
Rent	350		
Bad Debts	400		
Discounts	700		
Sundry Debtors	14,000		
Cash in Hand	260		
Cash at Bank	5,940		
Insurance	400		
Trade expenses	300		
Printing	150		
Furniture	2,000		
Machinery	5,000		
	68,900		68,900

Adjustments:

- i.) Closing stock was valued at Rs.7,000
  - ii.) Insurance was prepaid to the extent of Rs.60
  - iii.) Outstanding Liabilities were: Salary Rs.200 and Wages Rs.200.
  - iv.) Make Provision for Doubtful debts at 5% on Sundry Debtors
  - v.) Calculate Interest on capital at 5% p.a
  - vi.) Depreciate Machinery at 5% and Furniture at 10%
  - vii.) Reserve for Discount on Creditors at 1%.
21. Rozario Transport Co. purchased four cars of Rs. 5,00,000 each on Hire purchase system. The Hire purchase price for all the four cars was Rs.26,00,000, to be paid Rs.8,00,000 down at the time of signing of the contract i.e., on April 1, 2020 and three instalments of Rs.6,00,000 each at the end of each year. Interest is charged by vendors M/S Rohan Motors @ 25% per annum. The buyer depreciates cars at 20% per annum on Straight line method.
- After having paid Down payment and First instalment, buyer could not pay second instalment and seller took possession of 3 cars at an agreed value to be calculated after depreciating cars at 25% p.a. on Written down value method. One car was left with the buyer. M/S Rohan Motors, after spending Rs.25,000 on repairs sold away all the three cars to M/S Mahadevan for Rs.9,25,000.
- Accounts are closed on 31<sup>st</sup> March every year.
- Prepare Ledger Accounts in the books of both the parties.

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