LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



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

FIRST SEMESTER – **NOVEMBER 2023**

UCO 1501 - FINANCIAL ACCOUNTING

Date: 01-11-2023	Dept. No.	Max.: 100 Marks
Time: 09:00 AM - 12:00 NC	ON I	

	SECTION A - K1 (CO1)				
	Answer ALL the Questions	$(10 \times 1 = 10)$			
1.	Fill in the blanks:				
a)	Amount of owner's investment in a business organization is known as				
b)	A account is the summary of cash transactions of a non-tr	ading concern			
c)	Goodwill is an asset.	-			
d)	The goods are supplied to the dependent branch at cost or	price.			
e)	The account current method widely used in banks for interest calcul				
2.	True or False:				
a)	Business entity concept refers to the practice of treating business as d	ifferent from its owners.			
b)	Capital expenses and capital receipts are recorded in income and expe	enditure account.			
c)	In the absence of a partnership deed, 10% is the interest payable on the amount of the drawings of the partners.				
d)	All expenses of an independent branch are paid by head office.				
e)	In term bills, the number of grace days allowed are seven days				
	SECTION A - K2 (CO1)				
	Answer ALL the Questions $(10 \times 1 = 10)$				
3.	Answer the following:				
a)	What are drawings?				
b)	What is honorarium?				
c)	What is capital ratio at the time of dissolution of partnership firm?				
d)	What is a foreign branch?				
e)	What is red-ink interest?				
4.	Answer the following:				
a)	What is an invoice?				
b)	What is endowment fund?				
c)	Write a note on compulsory dissolution of a partnership.				
d)	What is departmental accounting?				
e)	What is average due date?				
	SECTION B - K3 (CO2)				
	wer any TWO of the following in 100 words each.	$(2 \times 10 = 20)$			
5.	Discuss the nature of accounting standards.				
6.	How will the following particulars will appear in the final accounts of	f Chennai Sports Cricket			
	Club for the year ending March,31 2019?	Da			
		Rs. 0,000			
		5,000			
		000			
		000			

7.	A and B are partners. From the following	details, prepare their	capital accounts assuming that
	they are fluctuating:	A (Rs.)	B (Rs.)
	Capital as on 01.01.2021	40,000	30,000
	Drawings during 2021	5,000	3,000
	Interest on capitals	5%	5%
	Interest on drawings	125	75
	Share of profit for 2021	6,000	5,000
	Partner's salaries	3,600	-
	Commission	500	300
8	Pass journal entries in the books of head office for the following transactions, under the debtors		

- 8. Pass journal entries in the books of head office for the following transactions, under the debtors system:
 - (i) Goods sent to branch at cost Rs. 25,000
 - (ii) Remittance received from branch Rs. 35,000
 - (iii) Profit earned by the branch Rs. 4,000

SECTION C – K4 (CO3)

Answer any TWO of the following in 100 words each.

 $(2 \times 10 = 20)$

9. How the following items will appear in the final accounts of a trader for the year ending 31st March, 2021?

Extracts of the trial balance of the trader as at 31st March 2021

Debit (Rs.) Credit (Rs.)

Sundry debtors 1,02,000

Provision for doubtful debts 6,000

Bad debts 1,000

Adjustments required for:

- 1. Further bad debts Rs.2,000
- 2. A provision for doubtful debts at 2% debtors.
- 10. Distinguish between 'receipts and payments account' and 'income and expenditure account'.
- 11. Explain the methods of adjusting goodwill at the time of retirement of a partner.
- 12. From the following details, compute the Gross Profit of the branch under the stock and Debtors system.

	Rs.
Goods received from the H.O. at invoice price	60,000
Returns to head office at invoice price	1,200
Branch stock on 01.04.2020 at invoice price	6.000
Branch Stock at invoice price on 31.03.2021	12,000
Surplus Stock (found in Branch Stock A/c)	2,400

Goods are invoiced to the branch at cost plus 25%.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words

 $(1 \times 20 = 20)$

13. From the following trial balance of Mr. Sabapathy, prepare trading and profit and loss account for the year ending December 31, 2019 and a balance sheet as on that date:

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	
Cash	2,000	
Stock (01/01/2019)	5,200	_

Debtors	2,500	
Creditors		1,000
	66,000	66,000
. 1		

Adjustments required:

i. Stock on 31.12.2019

ii. Salaries unpaid

iii. Rent paid in advance

iv. Insurance prepaid

Rs.

4,900

4,900

200

200

90

14. From the following particulars, Prepare a Receipts and Payment account for the year ending March, 31 2019.

Particulars	Rs.	Particulars	Rs.
Opening Balance of Cash	6,000	Entrance Fees	5,200
Subscriptions – 2018	3,000	Sale of Furniture	1,200
2019	13,000	Additions to Library	13,500
2020	1,000	Payment to Creditors	1,300
Sale of Old Newspapers	120	Repairs	500
Rent of Library Hall	2,080	Electric Fittings	9,000
Net Proceeds from	6,000	Printing & Stationery	1,900
Entertainment			
Special Subscription	2,000		
Salaries	6,200		
Miscellaneous Expenses	300		

SECTION E - K6 (CO5)

Answer any ONE of the following in 250 words

 $(1 \times 20 = 20)$

15. AX and BX were partners sharing profits and losses in the ratio of 2:1. The balance sheet as on 31-12-2021 were as follows:

12 2021 Were as 10110	*** 5.		
BALANCE SHEET			
Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital Account		Debtors	9,700
- AX	30,000	Inventory	20,000
- BY	20,000	Cash	1,200
Creditors	65,900	Machinery	35,000
		Building	50,000
	1,15,900		1,15,900

They decided to admit 'CZ' as a partner for 1/3rd share in the profit subject to the following conditions:

That he should bring Rs. 15,000 as his capital

Value of Inventory and machinery was depreciated by 10%.

Provision of 5% on sundry debtors be made for doubtful debts.

Value of building be appreciated by Rs. 9,500

Pass necessary journal entries, Prepare Revaluation account, partner's capital account and Balance sheet after admission.

16. Mr. Mannan purchased a Motor Car on hire-purchase system from Real Limited on 1.1.2016. The total cash price of the Car was Rs.79,900 payable Rs.20,000 down on signing the agreement and three instalments of Rs.30,000, Rs.25,000 and Rs.10,000 at the end of every year. Interest was charged at 5% per annum. You are required to prepare necessary ledger accounts in the books of both the parties. Rate of depreciation was 10% on straight line method. Calculations are to be made to the nearest rupee.