

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A.DEGREE EXAMINATION –BUSINESS ADMINISTRATION

FIRST & SECOND SEMESTER – APRIL 2018

BU 1502 / BU 2501– FINANCIAL ACCOUNTING

Date: 27-04-2018
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

Part A.

Answer ALL the questions:

(10X2=20 marks)

1. What do you understand by final accounts?
2. Calculate loss on sale of machinery under straight line method from the following information:
Original cost of machinery on 1-1-2000; Rs.80, 000
Rate of depreciation -5%
Date of Sale of machinery: 1-7-2002
Sale of value of machinery: Rs. 50,000
3. What is conversion method in single entry?
4. 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
5. What are the two features of dependent branches?
6. Journalise the following under Branch A/c's.
 - a) Goods sent to branch Rs.80,000
 - b) Sales at branch:
 - I For cash Rs.65,000
 - II On credit Rs.36, 000
7. What is 'Repossed stock'?
8. Cash price of the machinery Rs.20, 000 Down payment Rs.5, 000 four annual installments Rs.5, 000 each. Calculate interest for each of the four years.
9. How will you apportion the following expenses among various departments?
A) Rent B) Lighting
10. What is the need for creation of 'stock reserves' in departmental accounts?

Part B

Answer ANY FOUR questions

(4x10=40 Marks)

11. What is depreciation? What are the causes for deprecation?
12. Describe the features and limitations of single entry system.

13. Suresh keeps his books single entry system. He stated his business on 1.1.01 with a capital of Rs.30, 000. On 31.12,01 the assets and liabilities were as follows.

	Rs.
Cash	2.000
Bank Balance	10.000
Stock	10,000
Debtors	20,000
Furniture	3.000
Creditors	6,000

He introduced additional capital of Rs.3, 000 during 2001. He withdrew Rs.1.000 for his domestic purpose.

Find out the profit.

14. Ascertain the credit purchases by preparing total creditors accounts form the following information:

Creditors as on 31.3.2002 Rs.3.000, Creditors as on 31.3.2001 Rs.18, 000, Cash paid to creditors Rs.52, 200, Discount allowed by credit Rs.1,000, Purchases returns Rs.1.000, Bills payable accepted Rs.17,000, Cheques issued to creditors Rs.10,000, Bills receivable endorsed in favour of creditors Rs.20,000 out of which 25% bills were dishonored.

15. Asoka Ltd. at Mumbai has a branch at Pondicherry. Goods are sent to branch at invoice price, which is cost plus 33 1/3%. From the following prepare branch account at cost price.

	Rs
1.1.2002 Stock (invoice price)	30.000
1.1.2002 Debtors	22,800
Goods sent to branch (at invoice price)	1, 34,000
Sales at branch-Cash	62,000
Sales at branch-Credit	70,000
Cash received from debtors	80,000
Cheque sent to branch for expenses	7,000
Stock at branch on 31.12.2000 (At invoice price)	25,000

16. A machine was purchased on Hire purchase system at Rs.30,000 to be paid as follows:

Down payment –	Rs.5,000
At the end of 1 st year	Rs.7, 000
At the end of 2 nd Year	Rs.6, 500
At the end of 3 rd year	Rs.6, 000
At the end of 4 th Year	Rs.5, 500

Interest is charged on cash value at 10% p.a.

At what value should the machine be capitalised?

17. A company had two departments A and B. A Department supplies the goods to B department. From the following figures prepare departmental trading account for the year 2002

	Departments(Rs)	
	A	B
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

Part C

Answer ANY TWO questions

(2x20=40 Marks)

18. From the following trial Balance as on 31.12.2000 prepare Trading. Profit and loss a/c and a Balance Sheet as on that date.

Dr.		Cr.	
Stock 1.1.2000	5.840	-	
Cash in hand	192	-	
Drawings	2.840	-	
Rent	480	-	
Machinery	3.800	-	
Tax	600	-	
Provision for bad debts.-	420		
Bad Debts. 888	-		
Capital		-	17,000
Interest	-	320	
General Expenses		1.760	
Bank O/D	- 960		
Purchases	41,448	-	
Debtors	16,800	-	
Sales	-	47,624	
Creditors	-	8,000	
Sales returns	840	-	
Purchase returns		-	1,164
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	75,488	75,488	
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Adjustments.

- Depreciation on machinery 10%p.a
- Rent outstanding Rs.500
- Tax prepaid Rs.100
- Provision for bad debts is to be increased to 5% on debtors.
- Closing stock Rs.3, 500.

19. Distinguish between Single entry and Double entry System.

Distinguish between a statement of affairs and a balance sheet.

20. A firm had two departments. Cloth and Readymade clothes. The clothes were made by the firm itself out of which cloth is supplied by the Cloth department at its selling price. From the following figures prepare Departmental Trading and Profit and loss account for the year 2005.

Particulars	Cloth Department	Readymade Cloth Department
	Rs.	Rs.
Opening stock	3,00,000	50,000
Purchase	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to		

Readymade Cloth Department	3,00,000	
Expenses:		
Manufacturing	-	60,000
Selling	20,000	6,000
Closing stock	2,00,000	60,000

The stocks in the readymade cloth department may be considered consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit at the rate of 15% in 2004. General expenses of the business as a whole came to Rs.1,10,000.

21. From the following details relating to Delhi branch for the Year ending 31.3.2005, Prepare Branch Account in Head office books.

	RS
Opening stock (1.4.2004)	25,000
Debtors (1.4.2004)	10,000
Furniture (1.4.2004)	6,000
Petty cash (1.4.2004)	1,000
Insurance prepaid (1.4.2004)	300
Salary outstanding (1.4.2004)	4,000
Goods sent to branch during (2004-2005)	2,00,000
Cash sales	2,70,000
Total Sales	3,50,000
Cash received form Debtors	65,000
Cash paid by Debtors direct to Head office	5,000
Goods return by Branch	2,000
Goods return by debtors	1,000
Cash sent to branch for expenses	
Rent Rs.800 p.m	9,600
Salary Rs.4000 P.m	48,000
Petty cash	2,000
Insurance upto 30.6.2005	<u>1200</u> 60800
Petty cash expenses	2,200
Discount allowed to Debtors	500
Stock 31.3.2005	15,000
Depreciation furniture: 10%	
