



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIRST SEMESTER – NOVEMBER 2024

UBC 1501 – FINANCIAL ACCOUNTING



Date: 09-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Answer the following.

- a) Write a note on Gross profit.
- b) Define inter departmental transfer.
- c) Write a note on Instalment system.
- d) What do you mean by branch accounts?
- e) What is repossessed stock?

2. Fill in the blanks.

- a) Give expansion for IFRS _____.
- b) Trading account deals only with _____ expenses.
- c) _____ in the value of assets is termed as Depreciation.
- d) Sales is an example for _____ nature of income.
- e) When branch does not maintain its own set of books, it is termed as _____.

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

3. True or False.

- a) Ledger is the non-identifiable grouping of numerous business transactions.
- b) Change in the method of depreciation is not allowed in financial accounting.
- c) In Insurance policies for discouraging under insurance, averages clause is used.
- d) Receipts and payment always start with opening balance of cash.
- e) Hirer get possession of goods on paying the last instalment.

4. Match the following.

- a) Repossession - (i) Depreciation
- b) Debtors' system - (ii) Capital expenditure
- c) Fixed assets - (iii) Branch a/c
- d) Depletion - (iv) Profit unrealised in stock
- e) Stock reserve - (v) Hire purchase

SECTION B - K3 (CO2)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

5. Prepare Trading Account of Mrs. Alphonsa for the year ending 31-12-2021 from the following information:

Particulars	₹
Opening Stock	80,000
Purchases	8,60,000
Freight inwards	52,000
Wages	24,000
Sales	14,40,000
Purchase return	10,000
Sales return	3,16,000
Closing stock	1,00,000
Import duty	30,000

6. Rudba shoe company opened a branch at Madras on 1.1.2019. From the following particulars, the Madras Branch account for the years 2019 and 2020.

Particulars	2019 ₹	2020 ₹
Goods sent to branch	15,000	45,000
Cash sent to branch		
Rent	1,800	1,800
Salary	3,000	5,000
Others expenses	1,200	1,600
Cash received from the branch	24,000	60,000
Stock on 31st Dec	2,300	5,800
Petty cash in hand on 31st Dec	40	30

7. A fire occurred in the premises of Mr. Dheenadayalan on 15th August 2015, A large part of the stock was destroyed and Rs. 7,500 was realised for the salvage. For the period from 1st January 2015 to 15th August 2015, the following information is available:

- 1) Purchases amounted to Rs. 42,500
- 2) Sales amounted to Rs. 45,000
- 3) Stock on hand on 1st January 2015 was Rs. 20,000 at cost price.
- 4) Goods costing Rs. 2,500 were taken by Dhenadayalan for his personal use.

The previous accounts reveal that the rate of gross profit was 33 1/2 % on sale.

The insurance policy was for Rs. 25,000 and included an average clause.

Prepare the statement of claim to be made on the insurance company.

8. Explain in details about the AS 1,2,3,4.

SECTION C – K4 (CO3)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

9. A machine purchased on 1st July 2013 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 2016. Show the machinery account for all the years.

10. On 1-1-2016, X purchased machinery on hire purchase system. The payment is to be made Rs. 4,000 down (on signing of the contract) and Rs. 4,000 annually for three years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%. Calculate the interest in each year's instalment.
11. Illustrate the need and significance of IFRS.
12. The following information relates to Madurai branch
- | Particulars | ₹ | ₹ |
|----------------------------|--------|--------|
| Stock on 1.1.2014 | | 11,200 |
| Branch debtors on 1.1.2014 | | 6,300 |
| Goods sent to branch | | 51,000 |
| Cash sent to branch for | | |
| Rent | 1,500 | |
| Salaries | 3,000 | |
| Petty cash | 500 | 5,000 |
| Sales at branch | | |
| Cash | 25,000 | |
| Credit | 39,000 | 64,000 |
| Cash received from debtors | | 41,200 |
| Stock on 31.12.2014 | | 13,600 |
- Prepare branch accounting for the year 2014.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words

(1 x 20 = 20)

13. Prepare Trading, Profit & Loss A/c and balance sheet from the following trail balance Of Mr. V. Balbeer.

Debit balance	₹	Credit balance	₹
Sundry debtors	92,000	Balbeers's capital	70,000
Plant & Machinery	20,000	Purchase return	2,600
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 return	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Balbeer'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 31-12-2016 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.

14. 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, the total cost of purchases of all the Dept's amounts to ₹1,00,000
 Stocks on 1st Jan were:
 Dept. A - 120 units
 Dept. B - 80 units
 Dept. C - 152 units
 Sales were:
 Dept. A - 1,020 units at ₹20 each
 Dept. B - 1,920 units at ₹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.

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words (1 x 20 = 20)

15. Ragav purchased a truck for Rs. 1,60,000 from S. Waugh on 1-1-2013 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%. Ragav depreciates the truck at 10% per annum on written down value method.
 Ragav, after having paid down payment and first instalment at the end of the first year, could not pay 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.
 Give journal entries and ledger accounts in the books of both the parties.

16. From the following information and the Receipts and Payments Account of Prince Club, prepare Income & Expenditure Account for the year ended 31st March, 2021 and the Balance Sheet as at that date:

Receipts and Payments Account for the year ended 31st March, 2021

Receipts	₹	Payments	₹
To Balance b/d	3,190	By Rent	1,680
To Entrance Fees	550	By Wages	2,450
To Subscriptions	18,000	By Lighting Charges	720
To Donations	1,650	By Books Purchased	2,480
To Life Membership Fees	2,500	By Office Expenses	4,500
To Interest on Deposits	240	By 8% Fixed Deposits (On 1st October, 2020)	12,000
To Proceeds of tournament	2,320	By Tournament Expenses	2,020
		By Balance c/d	2,600
	28,450		28,450

Other Information:

- On 31st March, 2020, the Club possessed books worth ₹ 20,000 and Furniture worth ₹ 8,500. Provide depreciation on this assets @ 10% including purchases during the year.
- Subscriptions in arrears in the beginning of the year amounted to ₹ 350 and at the end of

the year ₹ 550 were outstanding.

- The Club paid three months' rent in advance both in the beginning and at the end of the year.
